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Evidence Given Before the Public Account
s Committee, 4Th Session, 3Rd, Legi 1



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EVIDENCE

GIVEN BEFORE THE

PUBLIC ACCOUNTS COMMITTEE

FOURTH SESSION, THIRD LEGISLATIVE ASSEMBLY
PROVINCE OF ALBERTA

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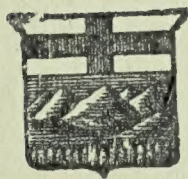
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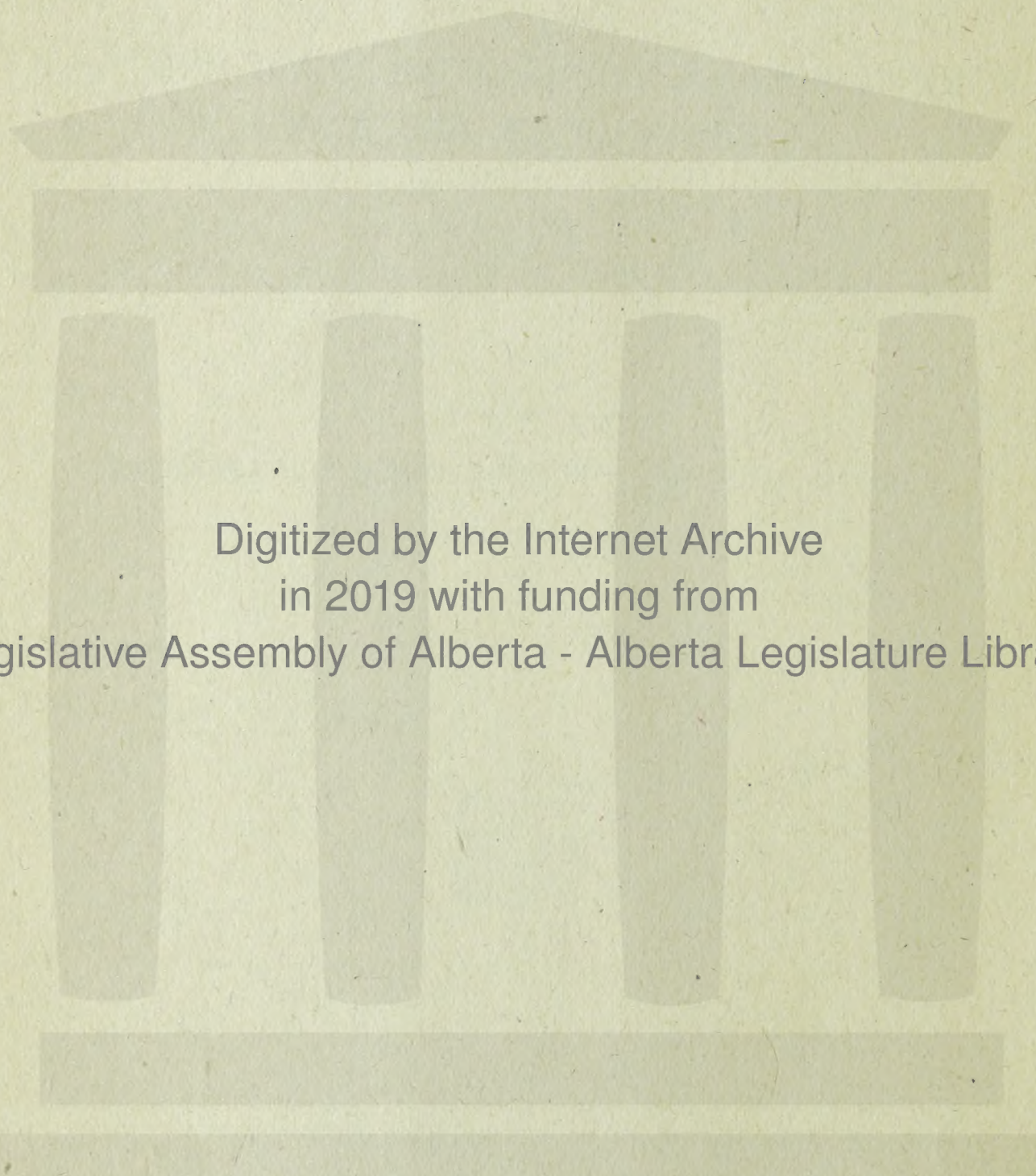
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EVIDENCE

GIVEN BEFORE THE

PUBLIC ACCOUNTS COMMITTEE

Edmonton, April 19th, 1916.

Mr. Speaker:—

I beg to report the evidence taken at the several sittings of the Public Accounts Committee and to lay the same upon the table.

FRANK WHITESIDE,
Chairman of Committee.

THURSDAY, MARCH 9th, 1916

Present: Hon. Mitchell, Boyle, Stewart, Gariepy. Messrs. Whiteside, Turgeon, McNaughton, McArthur, Tobin, Boudreau, Campbell (Ponoka), Tweedie, Hoadley, Kemmis, Campbell (Rocky Mountain), Crawford, Ewing and Blow.

E. W. BURLEY: (Sworn).

EXAMINED BY MR. TWEEDIE:

Q.—You are the Provincial Auditor? A.—Yes.

Q.—There is no person who is supreme to you in connection with the auditing of the accounts of the Province? A.—No.

Q.—Who are your assistant auditors employed in your office this year? A.—Roy Douglas.

Q.—Is he the only assistant auditor for the Province? A.—Yes, he is the only one authorized.

Q.—You are personally responsible for the auditing of all the accounts of the Province? A.—I think the Act makes it so, yes.

Q.—And you audit the accounts of every department? A.—Yes.

Q.—Your office does? A.—Yes, I don't do it personally.

Q.—What are your personal duties? A.—Well, it is set out in the Act giving me the appointment of Provincial Auditor.

Q.—Apart from the Act what do you do as a matter of practice? A.—I give instructions to the officers in my department what their duties are.

Q.—Do you certify to the correctness of all accounts? A.—Personally?

Q.—Yes. A.—No. The assistant auditor signs for the payment of accounts.

Q.—If there was any shortage in any account I suppose you would know about it, would you? A.—It would be reported to me.

Q.—Have you ever had shortages reported in any accounts while you were holding the position of auditor? A.—In the collection of revenue?

Q.—No, in accounts? A.—I don't know that I understand your question. What do you mean by accounts?

Q.—Has there ever been any shortage in the funds of the Province? A.—In the collection of revenue?

Q.—Has there ever been any misappropriation of funds by anybody since you were auditor? A.—Yes.

Q.—In what departments have the shortages occurred?

THE CHAIRMAN:—I think we had better decide whether we are investigating any particular department first and then ask Mr. Burley if there has been any shortage in that department.

MR. MITCHELL:—I ask the chairman to make a ruling as to the nature of the questions to be asked. That is a general question asking an official what has occurred during a period of ten years. If the Hon. member has anything in mind he can ask the witness who can, by looking up his records, ascertain whether it is correct or not. I think that is fair.

MR. TWEEDIE:—That proposition is absolutely absurd on its face. Here is the auditor of the Province who knows whether there have been any defalcations and I don't know. How can I specify. If he does know I want to know what defalcations came under his notice. I can't give particulars because I don't know.

MR. MITCHELL:—This information could be got by means of a return in two days if it was asked for.

CHAIRMAN:—I think we will ask you to stay with one department. Which department do you wish to investigate?

MR. TWEEDIE:—Don't start to defend the auditor until some charge has been made. I am simply asking if there have been any defalcations.

MR. MITCHELL:—He has answered the general question. There have been. In my opinion that is as far as he ought to go.

CHAIRMAN:—I am going to ask you to specify some particular department. If there has been any shortage in any particular department.

MR. TWEEDIE:—Every member of this committee knows the absurdity of that. We are not the auditors, we are not members of the Government and we have no information.

MR. MITCHELL:—The witness has no information except general information, half of which he may have forgotten. I don't think he should be asked off-hand to give that information.

MR. HOADLEY:—Would it be possible to have the auditor answer this—What is the system followed by you when you become aware of a case of defalcation?

CHAIRMAN:—I don't think that would be out of the way.

MR. MITCHELL:—I have in my mind just now at least one defalcation. I know of it, the Provincial Auditor knows of it and the Government knows of it. There may be others that we don't know anything about.

MR. HOADLEY:—I think it is perfectly right that Mr. Burley should be allowed to answer a question in regard to his own department. If he cannot answer questions in regard to his department and some other person is more able to do it it is a distinct reflection on the auditor.

MR. MITCHELL:—There is no necessity for talking that way for newspaper effect.

CHAIRMAN:—Mr. Tweedie has asked a question and Mr. Burley has answered it. He has asked if there have been defalcations and Mr. Burley has said Yes. I think if he will follow that up by asking in what department.

MR. TWEEDIE:—In what department have you found defalcations? A.—I have found them in the Department of the Attorney General, the Department of Public Works—I don't know that I could name them all.

MR. MITCHELL:—There is the trouble, Mr. Chairman, he can't name them all. I don't think he ought to be asked to name any.

MR. TWEEDIE:—I asked him to name what he could name. He says he does not know that he can name them all. I hope there are not shortages in every department.

MR. MITCHELL:—It would not be an unusual thing if there were. We have to depend on the honesty of employees and there are shortages occurring from time to time in all businesses; railways, municipalities and Governments as well. These things cannot be avoided, sometimes they are trifling and sometimes not. Generally we are able to recoup our loss.

MR. STEWART:—Personally I don't object at all as a member of this committee to this committee investigating thoroughly, I think it is their business. I am ready to lay everything I have in connection with the Department of Public Works before this committee. The other Departments I know nothing about. I also think it is very difficult to prevent these things. I think it is a little difficult for the Provincial Auditor to remember these matters in detail.

MR. TWEEDIE:—I am not asking for detail.

MR. HOADLEY:—Might I ask for my question to be answered now?

CHAIRMAN:—I think Mr. Hoadley might be in order.

MR. HOADLEY:—Mr. Burley, when you find a case of defalcation, what is your procedure? A.—My procedure is to notify the department in which the defalcation occurs of what it is and the nature of it.

Q.—And the action is left in their hands—that is the last thing. A.—As far as I am concerned. That other question is not quite answered. There is one in the Treasury Department, that is some years ago and I would have to look over it. These are the three I know.

MR. MITCHELL:—We have got it down to this point that the Provincial Auditor has named a few of the departments in which there have been defalcations come to his knowledge but that he can't give a complete list at all. I want it understood he is just speaking from memory.

MR. TWEEDIE:—Do you recall any others—any other departments? A.—Well, I don't just now—no. It is going over ten years and I would not be positive that is all. That is all I have in mind at the present time.

Q.—You suggested to Mr. Hoadley that your duty was to report it to the official in charge of the department or the Minister in charge of the department? A.—Yes.

Q.—Do you keep any record of these defalcations? A.—I have reports, yes.

Q.—All your reports since you became auditor for the Province? A.—Yes, I think so. I won't say all, but I think so.

Q.—You can look these up? A.—Yes.

Q.—And produce them here? A.—Yes.

Q.—Now, is the revenue short any? A.—Is the revenue short?

Q.—Yes. Have these defalcations all been made good to the Government? A.—No.

Q.—Do you shew that in the public accounts of the Province? A.—How do you mean?

Q.—Have you any item in the public accounts of this Province shewing what money has been stolen or defaulted from the Province? A.—Well, I don't prepare the public accounts.

Q.—Have you any item in the public accounts which you have audited to shew what thefts have been made from this Province? A.—I think in the year 1915 there is one item.

Q.—You remember this item of 1915, do you? A.—I remember a transfer was made from the general revenue fund to cover a shortage. That is what I mean by being in the Public Accounts.

Q.—How was that entered, under what head, under what designation? A.—I can't remember that definitely now; I should have to look that up.

Q.—Do you remember how many prosecutions have taken place in this Province for defalcations? A.—No, I can't tell that off-hand. I know of two.

Q.—These were just lately? A.—Yes.

Q.—You don't recall any others? A.—No, I don't recall any others now.

Q.—You take any member of the House taking up the public accounts, can he tell from them that there have been defalcations in the moneys of the Province? A.—I don't think any special report has been made in the public accounts.

Q.—Do you keep any special account for that in your department? A.—My reports to the departments is my record.

MR. MITCHELL:—You mentioned that there were two prosecutions, what did they result in, do you remember? A.—They were both convicted and given a jail sentence.

MR. TWEEDIE:—Who were they? A.—Mr. Hyde and Mr. McKay of the Public Works Department.

Q.—What were Mr. Hyde's duties? A.—He was the accountant in the Public Works Department.

Q.—How long had he been employed by the Government? A.—Since September 1st, 1905.

Q.—As an accountant? A.—Yes.

Q.—In the Public Works Department? A.—Yes.

Q.—What period did these defalcations cover?

MR. STEWART:—Mr. Burley didn't prosecute. As far as I am concerned I don't believe that I could answer that question.

MR. TWEEDIE:—You audited Mr. Hyde's account, didn't you? A.—Yes.

Q.—You found shortages in these accounts? A.—Yes.

Q.—Covering what period? A.—My report will show that.

Q.—Give us a general idea. Was it just one item? A.—No, there were several items. I depend on my report for them.

Q.—I just want you to tell me whether or not you can give me an idea from your memory what period these defalcations cover?

CHAIRMAN:—He says his report shows it.

MR. BURLEY:—I would not depend on my memory for that; my report will show. It is a pretty hard matter to depend on your memory for these things.

MR. TWEEDIE:—Was Mr. Hyde the Chief Accountant? A.—Yes.

Q.—How long did he hold the position of Chief Accountant? A.—He occupied that position from the commencement of the Province; September 1st, 1905.

Q.—Do you recall off-hand what method he pursued to filch this money? A.—Yes.

Q.—What was it? A.—It was calling for refunds. That is to say there would be duplicate payments made. With that knowledge he would make application for refund and make no records in the department that these moneys had ever been returned to the Government.

Q.—To whom did he make the application for refund? A.—To the railway company.

Q.—What for? A.—For refund of the moneys that he found were duplicate payments.

Q.—What would they be payments for? A.—Freight.

Q.—On material used for what purpose? A.—The vouchers will show that.

Q.—Generally? A.—The general outline of it was that it was principally refunds.

Q.—Was there anything but refunds? A.—I don't think there were; there may be. I don't want to—I think I had better stay with my report.

Q.—Who is Mr. McKay? A.—He was a clerk in the Department of Public Works.

Q.—What is his first name? A.—Ralph K. McKay.

Q.—What were his duties? A.—He was principally engaged, I believe, for checking the freight accounts that were presented by the different railway companies in connection with freight received by the department.

Q.—Was he in collusion with Mr. Hyde? A.—That is a debateable point.

Q.—You have no knowledge of that? A.—No.

Q.—What was his system? A.—His system was to forge the bills.

MR. MITCHELL:—That is, raise the amounts? A.—Sometimes.

MR. STEWART:—I think, perhaps, owing to the fact that the young man was let off on that charge it would be hardly fair to go out to the newspapers that way. The court acquitted him on the charge of forgery.

MR. TWEEDIE:—There is no doubt there was a shortage? A.—Yes, that is correct what Mr. Stewart says. The charge was laid and the jury acquitted him on that particular charge of forgery.

Q.—How long had Mr. McKay been in the service of the Government? A.—I can't answer that off-hand. I can refer to the Order in Council appointing him.

Q.—When did he leave the service? A.—He didn't leave until he was arrested.

Q.—Was he back in the service after he was arrested? A.—No, not to my knowledge.

Q.—Do you know whether or not Mr. Hyde went through trial, or did he plead guilty? A.—Well, I wasn't at the court.

Q.—You are the man who had the records and everything? A.—I may say there was a preliminary examination before the Police Magistrate. I was at that.

Q.—What punishment did they get, do you remember? A.—The report was that Mr. McKay got 18 months and Mr. Hyde got 22 months.

Q.—Was the amount very large? A.—My report will show that, I can't remember off-hand. I don't want to depend on my memory. I can depend on my report for what I have found.

MR. BOYLE:—You said that Mr. Hyde had been in the employ of the Government since the establishment of the Province. As a matter of fact wasn't he in the employ of the Territorial Government prior to that time? A.—Yes.

Q.—In the Department of Public Works? A.—I am not clear in my mind what department he was in.

Q.—He came here with the staff that came from Regina? A.—Yes.

MR. TWEEDIE:—You can prepare a statement for this committee of all the defalcations that have taken place since you have been auditor, can you? A.—Yes.

Q.—Did you ever refuse to pay any account for materials supplied or work done for the Government which you never paid and which was never paid by the Government?

MR. BOYLE:—I don't think that is a fair question to ask any witness.

MR. TWEEDIE:—Did you ever refuse to pay any accounts for material supplied or labour done to or on behalf of the Government which were never paid?

MR. MITCHELL:—He doesn't have anything to do with the paying—approve of them.

MR. TWEEDIE:—Well, approve so that they would be paid.

CHAIRMAN:—Would you have a record of that? A.—In dealing with questions of that kind as they come before me—I don't know that I have any written objections, I may have a few, but it is usually done verbally. That is if accounts come in to which any objection is taken they are returned to the department setting out the objection taken and if the objection is remedied the account is put in proper form.

Q.—Have you any record showing that? A.—There are some that I have returned with a written objection, but not all.

MR. TWEEDIE:—Can you produce a record showing that you refused to approve of any account which was presented to you and which was never paid by the Government? A.—I would have to think over that; I have nothing in mind at the present time.

Q.—Do you keep a record of every account that is presented to you before you authorize it or not? A.—Only those that have been authorized.

MR. TURGEON:—You could not possibly answer the other question? A.—No, I have no record of accounts presented. I have a record of all accounts presented, approved and paid but I have not a record of all the accounts presented. They are dealt with as the accounts come in and if no objection is found necessary they are paid—at least, they are authorized to be paid. If objection is taken they are returned to the Department that presents the account for payment and they are not paid until such time as any objections that may have been taken are removed.

MR. TWEEDIE:—So if an account was sent to you and you refused to approve of it you would have no record to show the grounds of your refusal if that account was again presented—perhaps to Mr. Douglas and not to yourself?

MR. TURGEON:—Every account before it was authorized it would have to be in order?

A.—That is what I mean. Any account that is presented for payment and is in order is recorded in our records as approved for payment, but accounts may have been presented to which objection was taken and have not been returned. I have no record of those.

MR. TWEEDIE:—And supposing a man presented an account which was forwarded to you and you refused to approve of it and the account was returned to the department and then forwarded to Mr. Douglas, Mr. Douglas would have no record of yours to show how you dealt with the account? A.—There is a clerk in the office whose special duty it is to pass on all accounts. All accounts come to him for examination. Primarily he is the man who makes the objection—he is the man who would receive that account and would be checking it. Mr. Douglas would not get that account until it passed through this clerk's hands.

Q.—The man who specially looks after these accounts would know of your objection and if he remembered it— A.—It would be presented to me again.

Q.—So if it was in regular form he would O.K. it and Mr. Douglas would deal with it? A.—Yes. The clerk brings it to me if he has any objection.

Q.—It is all done verbally? A.—Yes.

MR. KEMMIS:—Who is the official who looks into these accounts and certifies as to their correctness so far as checking them? A.—The first one I had was Mr. Sievwright—he has enlisted, I think. I have a young man in the office now by name of Mr. Taylor who has taken his place.

Q.—He would have to be a man of some experience? A.—Well, he has been in the office for some time.

Q.—What is his official designation in your office? A.—Just a clerk in the office, that is all.

MR. TWEEDIE:—Now you can prepare a list of the defalcations, can you? A.—Yes.

Q.—And what disposition was made of the amounts defaulted in the public accounts. You can show us where they appear in the public accounts? A.—Yes, in so far as refunds are concerned.

Q.—If a man defaulted a thousand dollars in the year 1912 you can show us where that thousand dollars appears in the public accounts? A.—No, I cannot.

MR. MITCHELL:—The public accounts only contain a statement of the actual moneys that have been received by the Government, they don't contain moneys that have not been received. There is one item that the Provincial Auditor has mentioned as showing in the public accounts and I think I can explain why that would be. That is in a case where the Government has to pay out money to make good that shortage. We would not have to pay money to ourselves, but if a clerk defaults moneys belonging to other people and we have to make that good that would show.

MR. TWEEDIE:—Your statement is to this effect, if monies are paid out by the Government they must necessarily show.

MR. MITCHELL:—Yes. If it is Government money that is short it could not appear in our revenue because we didn't receive it.

MR. TWEEDIE:—Supposing a tax collector went out on this Wild Lands Tax and collected \$1000—

MR. MITCHELL:—There is no such thing, that is not the system.

MR. TWEEDIE:—The Provincial Treasurer says nothing will show on the public accounts unless a payment has been made out or received. Supposing a payment is not received?

MR. MITCHELL:—How can you show it?

MR. BURLEY:—Would you mind giving me a statement of what you want.

MR. TWEEDIE:—A list of all defalcations which have occurred since you have been auditor. The names of the people making the defalcations if known. The method in which you have accounted for them in the public accounts of the Province. Show the items in the various years, if there are various years, covering the various defalcations as far as you have been able to trace. We want all the documents and papers in connection with the Central Canada Railway built into the Peace River, plans, specifications, profiles, payments and the change of route. The original specifications as presented before the loan was authorized as well as the plans and profiles which were filed with the department after the route was changed and all estimates of cost of construction, correspondence and documents which the Government have or which passed between the Government and the Central Canada Railway Co., the E. D. & B. C. and J. D. McArthur or any other person in connection with the construction of the line.

We will require to have Mr. Smith, Mr. Harvey, Mr. Newson and Mr. Ralph Douglas and any other employee of the Government who was connected with this work in any manner at all. If J. D. McArthur comes to the city we would like to have him and if he is not here we want Dr. McLennan. Notify W. R. Smith to produce all his documents with him when he comes and Dr. McLennan the same.

MR. MITCHELL:—Documents of what kind?

MR. TWEEDIE:—We want all their plans, profiles and specifications. And to bring all contracts for the construction of the road.

MR. MITCHELL:—Sub-contractors?

MR. TWEEDIE:—Sub-contractors, the men who really did the work.
Adjourned until to-morrow at 10 o'clock.

FRANK WHITESIDE,
Chairman.

FRIDAY, 10th MARCH, 1916

Present: Hon. Mitchell, Boyle, Stewart, Gariepy. Messrs. Whiteside, Turgeon, McNaughton, McArthur, Campbell (Ponoka), Tweedie, Hoadley, Kemmis, Campbell (Rocky Mountain), Blow and Ewing.

W. V. NEWSON: (Sworn).

EXAMINED BY MR. TWEEDIE::

Q.—You are the Deputy Provincial Treasurer? A.—Yes.

Q.—And as such you keep a record of all the financial transactions of the Province?
A.—Yes.

Q.—And you keep a record in connection with the proceeds of the guarantee of railway bonds, receipts and disbursements? A.—Yes.

Q.—And all loans made in connection with the general revenue of the Province?
A.—Yes.

Q.—Do you remember a loan which was authorized last session of two million dollars? The loan to be made in connection with the Central Canada Railway? A.—Yes.

Q.—Was that money received? A.—Yes.

Q.—From what source? A.—From the underwriters who purchased the debentures.

Q.—The debentures of the Province, were they? A.—Yes.

Q.—What was the total issue? A.—Four million dollars.

Q.—MR. MITCHELL:—Two million dollars of the four million issue was for the Central Canada, is that correct? A.—Yes.

Q.—MR. TWEEDIE:—But the whole issue was made at one and the same time? A.—Yes.

Q.—Two million for the railway and two million for the general revenue of the Province? A.—Yes.

Q.—On what date was that issue made? A.—Well, I have not the facts here.

Q.—Could you get them now? A.—Yes.

MR. MITCHELL:—What do you have in mind, Mr. Tweedie, as being the date of issue?

MR. TWEEDIE:—I want the date of the Order in Council and the date that the money was received from the sale of the bonds.

MR. NEWSON:—The date of the issue is May 1st, 1915.

Q.—MR. TWEEDIE:—Have you a copy of the Order in Council? A.—No, I have not copies of them here.

Q.—Where are they, in your office? A.—They will be in the Executive Council Office.

Q.—What date did the debentures bear? When were they dated? A.—They would be dated the same as the date of issue.

Q.—They were ten year debentures? A.—Yes.

Q.—When were they sold? A.—I can't tell you off-hand. I can tell you they were sold about May 27th, 1915.

Q.—Who were the fiscal agents for the Province? A.—The agents of the Province in arranging for the loan?

Q.—The sale of the debenture? A.—Well, the Provincial Treasurer, I think, so far as I am aware.

MR. MITCHELL:—There were no middle-men between the Treasury and the purchasers of the bonds. The money went through the Bank of the Manhattan Company who are the agents of the Imperial Bank, but they had no commission and had nothing to do with the sale of the bonds.

MR. TWEEDIE:—That is the Manhattan Bank in New York?

MR. MITCHELL:—Yes. I would not say positively in this last case the Bank of Manhattan handled it; I know they did in the former case—anyway the money went direct to the Imperial Bank in Toronto.

Q.—MR. TWEEDIE:—Do you know who the underwriters were? A.—Spencer, Brask & Co and their associates.

Q.—In New York? A.—New York.

Q.—What was the face value of the total issue? A.—Four million dollars.

Q.—What amount of money did you receive? A.—\$3,745,269.97.

Q.—Was that all principal? A.—Well, there may have been some interest.

Q.—Do your records show whether or not there was any interest included in that amount? A.—They probably would.

Q.—Don't you know? A.—Yes, they would show.

Q.—Well, how much of that sum was principal and how much of it was accrued interest?

The best way is to submit a detailed statement of the proceeds of the loan, can you do that? A.—Yes.

Q.—Did you receive the money in a lump sum? A.—No, we thought it more advantageous to have the money paid in instalments as far as possible.

Q.—Are the debentures underwritten for a fixed sum? A.—Yes.

Q.—What was that sum? A.—You mean were they underwritten at a certain price?

Q.—Yes. A.—Yes. I cannot give you the exact price off-hand.

Q.—You will furnish that? A.—Yes, I will give you that.

Q.—Have you a statement showing when you received the various amounts? A.—We received the proceeds from time to time.

Q.—You have a statement showing that? A.—Yes.

Q.—Will you let me see it just for a minute? A.—I will prepare that for you.

Q.—What interest do the debentures bear? A.—Five per cent.

Q.—And you are unable to state at present the exact amount of principal which you received from the sale of these bonds? A.—Well, I could not give it to you off-hand.

Q.—Have you made any payments out? A.—Yes.

Q.—How much have you paid out to date to the Central Canada Railway Co.? How much have you advanced them on account of the loan? A.—Well, they have received from the trust account \$756,120.49.

Q.—What do you mean by the trust account? A.—Well, while the Central Canada Railway are paying interest to the Government on the full two million dollars the proceeds of that portion of the loan remain in the name of the Provincial Treasurer and the money is only advanced to the railway company on progress estimates.

Q.—So that all you have paid to date from that loan to the company is \$756,120.49? A.—Yes.

Q.—Have you any other account with them? A.—No, this is the sole ledger account.

Q.—How much have you in the bank to the credit of the Provincial Treasurer? A.—I have not got the pass book with me.

Q.—It would be the difference between the amount received and the accrued interest and this amount which you have just stated? A.—It would be the difference between the amount received and the amount paid out.

Q.—And that is all in the trust account? A.—Yes.

Q.—What is the style of that trust account, or name? A.—The Provincial Treasurer on account of the Central Canada Railway Company.

Q.—And what interest are you receiving from the bank for that? A.—That is a matter of arrangement between the company and the bank.

Q.—What interest does the bank pay on that balance? A.—I don't quite understand you.

Q.—Well, the bank pays interest on the balance which is lying there? A.—Yes, they credit the account with the interest.

Q.—At what rate? A.—That is a matter of arrangement; I think it is 3 per cent.

Q.—You know as a matter of fact, don't you? A.—It is either 3 or 3½ per cent. I think it is 3 per cent. We get 3½ on our own account, I think the railway company only get 3.

Q.—You can determine the rate definitely? A.—As determined between the bank and the company.

Q.—I wish a statement of these payments prepared and a copy of the bank account or your pass book.

Q.—The statute under which this loan was procured was Ch. 25 of the Statutes of Alberta, 1914, as amended? A.—Yes.

Q.—And the date of the recommendation for the Order in Council is April 30th, 1915? A.—Yes.

Q.—Have you any vouchers for the payment out of the money? A.—Yes.

Q.—Have you any other account for the Canada Central Railway? A.—Not that I know of.

Q.—Did you ever have any proceeds from the sale of bonds from them? A.—This side of the ledger shows the proceeds of the debentures and the dates on which they were received.

Q.—Were there any of the company's own debentures sold that you know of? A.—Not that I know of.

Q.—You have no record of any proceeds from the sale of any such bonds? A.—This is the only account we have.

Q.—Are there any of their bonds hypothecated with the Government that you know of as security against this loan? A.—We have no record of that. This is the only record we have of any dealings. We deal with receipts and expenditures.

Q.—You have no record of any hypothecation? A.—No.

RALPH DOUGLAS: (Sworn).

EXAMINED BY MR. TWEEDIE:

Q.—You are employed by the Provincial Government? A.—Yes.

Q.—In what capacity? A.—Assistant Provincial Railway Engineer.

Q.—Who are your superior officers in that work? A.—Mr. Jones is Provincial Engineer and Mr. Harmer, Deputy Minister.

Q.—You know of the Central Canada Railway Co., do you? A.—Yes.

Q.—And in the course of your duties as engineer have you ever had anything to do in connection with it? A.—Yes.

Q.—In your office you keep all railway records, I suppose, as far as construction work is concerned? A.—Yes.

Q.—The specifications passed through your hands? A.—Well, I have a copy of the specifications.

Q.—And the plans? A.—The plans are filed with the railway department.

Q.—And the profiles? A.—Yes.

Q.—And contracts? A.—What contracts do you mean?

Q.—Would there be a copy of the deed of trust with you?

MR. MITCHELL:—Mr. Harvey will have those.

Q.—MR. TWEEDIE:—When did you receive the first copies of plans, specifications and profiles covering the construction of the Central Canada Railway? A.—The first plans were filed with the Department on June 26th, 1914.

Q.—Did you have specifications and plans filed then also? A.—There were no specifications, they are supposed to be the same as the E.D. & B.C.—the same standard.

Q.—How much of the Central Canada Railway has been constructed? A.—Approximately 48 miles.

Q.—Is that grade or steel? A.—Approximately 48 miles of steel.

Q.—From what point to what point? A.—From the junction of the E.D. & B.C. at mile 262 to Peace River Crossing at the Hart River.

Q.—That is right into the village? A.—Practically into the village.

Q.—How much of the road was constructed under the original plans and specifications? A.—About 19 miles of steel or something like that.

MR. MITCHELL:—Under the original specifications? There never was any change.

Q.—MR. TWEEDIE:—Mr. Douglas, there were filed with your department in 1914 certain plans and specifications and profiles for the construction of that 48 miles of railway were there not? A.—The plans and profiles were filed with us in 1914.

Q.—Were there any specifications filed? A.—Not that I can recall.

Q.—What records have you of any specifications as to the construction of that work? A.—I have no record at that time. I knew they were to be the same as the E.D. & B.C.

Q.—How did you know that? A.—It is their agreement I think.

Q.—Do you know? A.—I am pretty sure it is.

Q.—Do you mean to say you would go and supervise the construction of that road without any instructions covering it? A.—I know it is the same as the E.D. & B.C.

Q.—You have no record in your office to show it? A.—It is in the statute and it is in the construction agreement.

Q.—Have you a copy of the construction agreement? A.—I think Mr. Harvey has.

Q.—You have no record in your office?

MR. MITCHELL:—It is the same office. Their files are all together in common.

Q.—MR. TWEEDIE:—What statute covers it? A.—I could not tell you off-hand.

Q.—Nineteen miles were constructed, you say, under the old arrangement? A.—During the summer of 1914 there were about thirty miles, including sidings, of track laid. That would be taking the sidings and reckoning them in the mileage.

Q.—How many miles of sidings included in the thirty miles? A.—I could not give you that off-hand.

Q.—Was the steel laid on that? A.—Thirty miles of steel.

Q.—In 1914? That is correct, is it? A.—Yes.

Q.—How many miles of grade had you in 1914? A.—Thirty.

Q.—The steel was laid up to the end of the grade in 1914? A.—Yes.

Q.—Can you determine how much of that was siding? A.—If I had time in the office.

Q.—You can determine that for me? A.—Yes.

Q.—What time did they stop work on that? A.—In 1914. I could not give you the exact date when it was finished, I could get that at the office. It was during the summer of 1914.

Q.—Did you inspect that road? A.—Yes.

Q.—What is the nature of the country through which the thirty miles passes? A.—It is principally bush country.

Q.—Mountainous? A.—No.

Q.—Level? A.—It is just average country. There are no very big hills in that part of it; it is fairly level.

Q.—Any deep ravines on that thirty miles? A.—There are no very deep ones on that 30 miles.

Q.—How much bridging on that 30 miles? A.—I could not answer off-hand.

Q.—Will your records show? A.—The profiles will show.

Q.—Had you the route map filed with you? A.—Yes, there was a route map filed.

Q.—Have you a copy of that route map? A.—No.

Q.—Where is it? A.—In the office.

Q.—Who would have charge of that? A.—I have charge of the filing of plans.

Q.—Could you get us that route map? A.—Yes. (Route map produced).

Q.—What is the date of the first route map? A.—August 8th, 1913.

Q.—What is the date of the second route map? A.—March 24th, 1914.

Q.—What is the date of the third route map? A.—That is one filed March, 1916, filed since the line was completed.

Q.—The line was completed on the basis of the third route map, was it? A.—Yes, this is the final route showing it as it is constructed.

Q.—Have you any other route map? A.—These are the only route maps we have.

Q.—What is the other red line beyond the river? A.—That is a proposed line.

Q.—What is the purpose of a route map? A.—To show the general location of the line with respect to the surrounding country.

Q.—What date of the month is this? A.—This is the 10th.

Q.—And do you mean to tell us that you never got a route map filed until yesterday and that railway is all complete? A.—They could not put in the accurate—

Q.—Do you mean to say that you never got the route map filed until the day before to-day? A.—This shows a revision of the previous route maps filed.

Q.—Do you mean to say that this department never got the route map filed until yesterday and that railway is all complete? A.—The line was only completed about two weeks ago. These plans cannot be made—

Q.—Do you mean to say you cannot get a route map before the road is started and you have to wait until after it is completed? A.—We have these.

Q.—The road was not constructed in accordance with the first or second route map? A.—Not all of it, part of it was.

Q.—CHAIRMAN:—Will you repeat the purpose of a route map? A.—To show the general location of the line with regard to the surrounding country. We have the plans and profiles.

Q.—MR. MITCHELL:—You have had a number of route maps filed from time to time? A.—Yes.

Q.—And the road as construction developed proceeded along the routes indicated by the various route maps as filed from time to time? A.—Yes.

Q.—And eventually when the whole road was completed and it was definitely known the exact route that the road would take there was a final route map filed? A.—Yes.

Q.—Is there anything unusual in having the final route map filed on the completion of the railway or would you expect it to be filed long before the completion of the railway? Is there anything unusual in the filing of this route map yesterday? A.—Not that I know of.

Q.—Were you handicapped in your work in any way in the proper carrying out of your duties by reason of the fact that the route map was not filed? A.—No.

Q.—Has the filing of a route map or has a route map anything to do with the construction of the road? A.—No.

Q.—It just indicates the general direction in which the road is going to be run? A.—Yes.

Q.—But has nothing to do with the actual construction work? A.—No.

Q.—How do you know what the actual construction work is to be? What other method have you apart from the route map? A.—Well, the profile.

Q.—That is the working basis? A.—Yes.

Q.—The route map is not essential to your actual work? A.—No.

MR. TWEEDIE:—It looks to me like a swindle on the face of it.

Q.—You had three route maps filed, hadn't you? A.—Yes.

Q.—Did you follow the first route map? A.—They followed it part of the way.

Q.—How many miles? A.—I could not say exactly.

Q.—You have three route maps, haven't you? A.—Yes.

Q.—You examined the first route map, didn't you? A.—I don't know whether it was me that put it through or not. I saw it.

Q.—Could you tell the general condition of the country through which that road passed from that route map? A.—No, except I would know the rivers where they were shown.

Q.—Is the first route map the same as the second? A.—No.

Q.—Are any two of these route maps alike? A.—In what particular?

Q.—In every particular? A.—No. They are the same at certain portions and at other portions they are different.

Q.—You could tell from looking at these route maps that they were different, you are engineer enough for that? A.—Yes.

Q.—Did you have plans, profiles and specifications filed with the first route map? A.—They are not filed together.

Q.—Did you get the profiles filed with the first route map? A.—No, they are not necessarily filed together.

Q.—Did you have plans and specifications filed to cover the first route map at any time? A.—Yes.

Q.—Did you have plans and specifications filed to cover the second route map at any time? A.—Well, I could not say exactly.

Q.—Do you know? A.—There was one set of plans and profiles filed to cover the original route as it went down the Hart Valley, the last profiles have been filed as it is revised to go down the Smoky.

Q.—Have you got the plans and profiles which were filed in accordance with the first route map? A.—No, there are no plans and profiles filed—

MR. MITCHELL:—They file the plans and profiles from time to time as the work progresses. If in the meantime they decide for certain reasons to change the route why they necessarily have to change their plans and profiles.

Q.—MR. TWEEDIE:—Now, you had the route map number one filed in your department? A.—Yes.

Q.—Did you have plans, profiles and specifications filed with you to cover the work in accordance with that route map? A.—I could not say exactly.

Q.—Don't you know—you are the supervising engineer? A.—We don't usually compare them to see whether they follow exactly. The first route map that was filed, the plans and profiles won't cover it at all, it was just the general location to show where the line would approximately go—no detail about it—just the route so that they would get a route map in to have that route reserved for them as it were.

Q.—Who prepared that map? A.—The railway company.

Q.—Was that map before the Railway Committee of the Legislature? A.—I could not say whether it was or not. I don't think they are filed with us. I think they are filed with the Clerk of the House.

Q.—You say then that you never received any plans, specifications or profiles in connection with the first route map; is that correct? A.—Well, I can't say just that they were. It is not necessary to file plans and profiles with the first route map; that is the way I understand it.

Q.—CHAIRMAN:—When is the first route map usually filed? A.—After they have got their charter, it shows where they want the road to go.

Q.—Is it not filed after the first survey? A.—There is one then too.

Q.—MR. TURGEON:—Have you any idea of the difference in scale between the route map and the profile map? A.—Well, there is no comparison at all, one takes in a thousand square miles.

Q.—You don't work on the route map at all? A.—No, it shows the general route.

Q.—That shows only the general direction? A.—Yes.

Q.—A change in a route map would not necessarily change your work whatever? A.—Not necessarily.

Q.—The route map as far as the Province is concerned is nothing more nor less than a map showing the general direction of the railway? A.—Yes.

Q.—And has nothing to do with the work being done? A.—No.

Q.—MR. TWEEDIE:—Why did you get the route map filed yesterday?

A.—MR. MITCHELL:—Didn't you ask for this yesterday? It is utterly impossible before a road is finally built for them to have an exact route map because that route map necessarily has to change with every change that is decided on in the direction of the railway. When it is finally finished there is a final route map made.

MR. TWEEDIE:—I didn't ask you to go out and prepare route maps.

MR. MITCHELL:—If we were producing profiles and that sort of thing after the road was built it would be different but a route map is not the basis of construction at all.

Q.—CHAIRMAN:—Is it always customary to file the final route map before the line is completed? A.—No, it is not.

Q.—Is it not the custom to file the route map after the line is completed? A.—Yes, you know exactly where it is going then. The route map is just the general location.

Q.—MR. TWEEDIE:—The date of your second route map is? A.—March 24th.

Q.—It shows the proposed line from the E.D. & B.C. into Peace River Crossing, a distance of about 48 miles? A.—It shows the revised proposed route of the Central Canada Railway.

Q.—Please answer my question. Does that second route map show the proposed route from the E.D. & B.C. right into Peace River Crossing? A.—Yes.

Q.—The road was not constructed then was it? A.—No.

Q.—How did they have to file the route map in that case before the road was constructed? A.—They made a survey down the Hart Valley and there is only one route down.

Q.—In your first route map you showed the railway going into Peace River Crossing? A.—Yes.

Q.—There was no railway constructed then? A.—No.

Q.—How is it in the case of the first and second route maps you show the proposed routes before a foot had been built and in your third route map you say it is not customary to file the route map until it is completed?

Q.—MR. MITCHELL:—In your route map of March 24th, 1914, there are two possible routes indicated, are there not? A.—Yes.

Q.—Now a subsequent route map has been filed and that is the final one, does that

final one correspond exactly with the alternative route on the route map of March 24th? A.—No, it is a revision also.

Q.—None of these maps are exactly the same because there is a revision in each case, is that it? A.—Yes.

Q.—MR. TWEEDIE:—Why was it that in the case of the first and second route maps that they were filed before the work was done and then when it came to the third route map you said the custom was to file them after the road was completed, just explain that?

A.—These are proposed lines before the line is built and the other one is just the final map as the line has been built.

Q.—Before the line was built you had a route map filed? A.—A proposed route map.

Q.—Why didn't you get a proposed route map filed before the third route was adopted? A.—According to the Dominion Act they do not require to file a revised route map at all unless it varied a very great deal, probably 20 or 30 miles.

Q.—Is that under the Dominion Act? A.—Yes.

Q.—The Dominion has nothing to do with this, this is constructed under a Provincial charter, is it not? A.—Yes.

Q.—Now, you say you had no profiles, plans and specifications filed with the first route map? A.—Not at the same time.

Q.—Well, were they filed subsequently dealing with the first route map? A.—I don't think they deal with the first route map at all.

Q.—Had you plans, profiles and specifications filed to cover the second route map? A.—For a certain distance,

Q.—What distance? A.—We had plans and profiles covering all the lines covering the second route map.

Q.—Have you the plans, profiles and specifications? A.—I have the plans and profiles.

Q.—No specifications? A.—No.

Q.—CHAIRMAN:—You don't have to have them? A.—No.

Q.—They are in the Act are they not? A.—Yes.

Q.—MR. TWEEDIE:—Can you produce these profiles and plans covering the second route map? A.—I have them here.

Q.—Let us have them. A.—These cover the second route map very closely. (Producing profiles).

Q.—What date does it bear? A.—June 26th, 1914.

Q.—That is the date on which they were filed with your department? A.—Yes.

Q.—What part does that cover? A.—It covers mile 26.70 to 48.71.

Q.—That is mile 26 from what point? A.—Here is the first route map from one to 26.70.

Q.—Where does your first mile start, Peace River? A.—No, from the junction of the E.D. & B.C. mile 262.

Q.—Now, there is a portion of the work completed by last Spring, that would be from 48? A.—No, from nought to 26.

Q.—When were these plans filed from nought to 26? A.—March 24th, 1914.

Q.—And when was that portion of the road constructed? A.—During the summer of 1914.

Q.—So that the profiles filed on March 24th, 1914, is the profile which covers the first 26 miles from the E.D. & B.C. junction? A.—Yes.

Q.—And were these the profiles that you worked under? A.—I used them, yes. We were not making any payments at that time. I was on the line.

Q.—Inspecting it? A.—Yes.

Q.—This is what you used? A.—Yes.

Q.—Did you have any plans? A.—The plans filed at the same time.

Q.—The plans were filed the same date? A.—Yes.

Q.—The profile is number 86 and the plans on the same date, 24th March, 1914, covering the same work are number 99? A.—Yes.

Q.—Who prepared these plans and profiles? A.—The railway company.

Q.—What course did they follow, or what route? A.—They followed the route as shown on that second route map, approximately.

Q.—They followed the route as shown on route map No. 2? A.—Not necessarily following the route map exactly. The plans are made they may vary a few miles either side of it. That map is on a different scale and I could not tell exactly.

Q.—When were the plans filed for the other end of the road, mile 26 to Peace River? A.—June 26th, 1914. (No. 100).

Q.—When was the profile of that work filed? A.—June 26th, 1914. (No. 86).

Q.—Have you any other plans and profiles covering that work? A.—Covering this?

Q.—Central Canada from the junction to Peace River Crossing? A.—The last ones filed will cover portions of it, there were parts of it revised.

Q.—These plans and profiles Nos. 100 and 86 cover how much of the work from mile 26? A.—From mile 26 to 48.

Q.—How much of that work do they cover? A.—Not more than a mile, I think the route changes at mile 27.

Q.—The route changes at mile 27? A.—Approximately, I don't know exactly but it changes about mile 27.

Q.—Have you the plans and profiles to cover the change? A.—Yes.

Q.—What date were they filed? A.—February 3rd, 1916. It shows where the line has been revised from mile 0 to 2.82 there is a small revision, and mile 5.13 to 10.78, otherwise we would follow these original ones.

Q.—When were these changes made as shown on the profile? Have you plans covering these changes? A.—This shows the difference between this and this. (Showing).

Q.—You have no set of plans covering these changes, you have not a consolidated plan? A.—No, when the line is completed they have to file profiles as constructed.

Q.—There was a change from mile 0 to mile 2.82? A.—Yes.

Q.—What was that change in route? A.—A little change in route, probably a little change in the grade line.

Q.—Would that necessitate filing new plans to cover the change? A.—Well, the Act says that any change is to be filed, a map showing the change is to be filed.

Q.—Were any plans filed? A.—These are the plans.

Q.—These are not the profiles? A.—The plans and profiles go together.

Q.—Where are the plans? A.—They are here.

Q.—They were filed the same day, were they? A.—Yes.

Q.—The profiles and plans filed on 3rd February, 1916, show changes which were made on the whole line, do they? A.—No, not the whole line.

Q.—What are these numbers? A.—They have not been numbered yet. From mile 27.72 to mile 50.71.

Q.—When were these filed? A.—The same date, February 3rd, 1916.

Q.—Plans and profiles were filed covering the construction of the road from mile 27.72 to Peace River Crossing which is mile 50.71, that is correct, is it? A.—Yes.

Q.—Had you any other plans or profiles filed covering that work? A.—No.

Q.—At any time? A.—No.

Q.—That is all that has ever been filed in your office? A.—Yes.

Q.—When was that work completed? A.—The laying of the steel and grade?

Q.—Yes. A.—The grading was completed I think some time in December, 1915.

Q.—And these are all the plans and profiles which you have covering the work? A.—In the office, yes.

Q.—Did you ever have any others? A.—Well, I have had others for my own use which I got from the resident engineer.

Q.—Where are they? A.—I use theirs when I am out on the work. This route was changed—it takes considerable time to make up these plans.

Q.—Do you mean to say you have none of these in the office that you were using on the work? A.—I used the actual ones they were using in the field because the resident engineers in the field are making changes all the time.

Q.—Do you mean to say that you have no other plans and profiles covering that change from mile 27.72 to Peace River Crossing? A.—No, they show it as constructed.

Q.—You never had any other? A.—Not filed in the office.

Q.—At any time? A.—No.

Q.—Is that correct? A.—Yes.

Q.—MR. BOYLE:—You say that in the actual construction of the line the engineers in the field may make changes? A.—Yes.

Q.—Then any plan that would be filed previous to the time that the grade would be built would not necessarily show exactly either the location of the road or the grade? A.—Not necessarily, it might be changed a few feet that this plan would not show.

Q.—In your inspection work you were using the plans of the company? A.—Yes.

Q.—CHAIRMAN:—The final plans and profiles are yet to be filed? A.—The final plans and profiles have to be filed.

Q.—At the time you were making this inspection it would be impossible to have any other plan that would be exact? A.—Yes.

Q.—MR. TWEEDIE:—There has been filed with your department no plans, specifications or profiles covering this road except what you have produced here? A.—No, I think I brought them all.

Q.—MR. MITCHELL:—They would file certain profiles and plans of the route that they were going to take. You had these, but then you found afterwards as work progressed that they were making some changes. Now, Mr. Tweedie suggests you should have in advance plans filed with these proposed changes, which you didn't require when you used the profiles and plans of the company while the construction was going on, that is correct? A.—Yes.

Q.—Was there anything unusual in doing that? A.—I don't think there is anything unusual.

Q.—Would it be a practical thing to file in advance in your office revised plans and profiles before the work was done? A.—No, it would not be possible to do it. If we had held them up to make them the road would probably not have been built this year.

Q.—MR. TWEEDIE:—That route was diverted from mile 27.72? A.—Approximately.

Q.—And it was constructed from there to mile 50.71? A.—No, it is not constructed to there yet.

Q.—How far has it been constructed? A.—The grade has been built to the crossing of the Peace River.

Q.—How many miles? A.—Mile 49 comes in the middle of the Peace River and the grade is built to the Peace River.

Q.—From mile 27.72 to mile 49, that is all constructed is it not? A.—The grade is all constructed.

Q.—And the steel laid into Peace River Crossing? A.—Laid to the crossing of the Hart River.

Q.—That would be about 20 to 22 miles, wouldn't it? A.—27 to 48, 21 miles.

Q.—And you had originally filed with you plans and specifications covering the proposed route right into Peace River? A.—We had plans and profiles.

Q.—Covering the proposed route right into Peace River? A.—Yes.

Q.—From mile 27.72 into Peace River, is there one single mile of that road constructed in accordance with the plans and profiles which you had—

MR. BOYLE:—Do you mean the route or grade?

Q.—MR. TWEEDIE:—Route, grade, everything else, bridges and all? A.—The line changes altogether at that point,

Q.—At 27.72 the line changes altogether? A.—Yes.

Q.—There is no construction which corresponds with the original plans and profiles which were in your hands before construction was started? A.—No.

Q.—No, not one single foot. So you have got from 20 to 22 miles of absolutely new railway construction in that country of which you had not the plans and profiles in your hands before construction? A.—No, I—

Q.—There was a change of route at mile 27.72 wasn't there? A.—Yes.

Q.—When they started construction into the Peace River Crossing they followed a different route, different plans and different profiles altogether, didn't they? A.—To what they filed before, yes.

Q.—CHAIRMAN:—Did they follow a different route? A.—It is a different route, yes.

Q.—MR. TWEEDIE:—Did they follow a different route? A.—It is a different route, they come into the same old route about Peace River.

Q.—How far away would they be from the original route laid out?

Q.—MR. TURGEON:—About 8 miles the farthest? A.—Yes.

Q.—MR. TWEEDIE:—Did they file new plans and profiles with you? A.—No.

Q.—That road was diverted from mile 27.72? A.—Yes.

Q.—MR. MITCHELL:—At what date? A.—It was not finally decided on until round June sometime, 1915.

Q.—MR. TWEEDIE:—And they started with the construction from mile 27.72 about that time? A.—About the same time.

Q.—The route is not the same? A.—No, but they had engineers in the field all Spring. The engineers had their own plans, they set the grade stakes and everything for the men in the field. If we had held them up to have plans made they wouldn't have got started at all.

Q.—They had their engineers in the field all Spring staking out that road? A.—Endeavoring to get a more feasible route than the one down Hart River.

Q.—The route as finally constructed from mile 27.72 is not the same as that which you had the route map filed and for which you had plans and profiles, is it? A.—No.

Q.—The grade is not the same? A.—No.

Q.—The number of bridges is not the same? A.—No.

Q.—The profile is not the same? A.—No.

Q.—The plans are not the same? A.—No.

Q.—It is an absolutely different road from any plans or profiles which you had filed with your department previous to the work being done? A.—Yes.

Q.—And before they commenced on that road you had no plans or profiles filed with you covering the proposed work, had you? A.—No, nothing else.

Q.—You never got any filed with you until after the work was completed? A.—No.

Q.—MR. BOYLE:—Did you have any access to any plans and profiles with regard to that route? A.—I was in the field in the Spring when they were making the change and I had access at the time the work was in progress.

Q.—Did you examine the new route and the new plans before the change was permitted? A.—I was in the field at the same time. I made a report on it at the time, about June, when they decided.

Q.—MR. MITCHELL:—You in the meantime made reports to the Government from time to time as to the various changes that were made? A.—I made a report at the time it was changed and I made construction reports as the work progressed.

Q.—From your own observation in the field? A.—Yes.

Q.—Here is a route map dated March 24th, 1914. What is the red line shown on that map? A.—That is a line as contemplated at that time.

Q.—How does that compare with the route as shown in the final one? A.—It compares up to about mile 27 and there it changes.

Q.—Why was it changed? A.—On account of the difficulty of construction.

Q.—Why did they make the change? A.—I made a report here. "At the time this line was located it was thought to be the only feasible way of reaching Peace River Crossing. However, for the reasons mentioned above the company have had engineers in the field the greater part of the past Winter and Spring in an endeavor to locate a route that will be perhaps cheaper but principally one that will be less expensive to maintain afterwards. Within the last weeks an alternative route has practically been decided upon. This new route leaves the old one at mile 27.72 and instead of going down the Hart Valley keeps to the high land on the West side of the Hart River until it strikes the valley of the Smoky River about seven miles from Peace River. The line is then developed down the sides of the Smoky and Peace Valleys to the original crossing of the Peace River."

Q.—What date? A.—June 5th, 1915.

Adjourned to Tuesday, 14th March.

FRANK WHITESIDE,
Chairman.

TUESDAY, 14th MARCH, 1915

Present: Hon. Mitchell, Stewart, Gariepy. Messrs. Whiteside, McArthur, McNaughton, Campbell (Ponoka), Turgeon, Campbell (Rocky Mountain), Blow, Tweedie, Hoadley, Kemmis, Crawford, Leffingwell, Boudreau.

NORMAN L. HARVEY, (Sworn).

EXAMINED BY MR. TWEEDIE:

Q.—What is your position, Mr. Harvey? A.—Secretary of the Railway Branch.

Q.—What are your duties? A.—Custody of railway documents.

Q.—You have the custody of all the documents which have to do with the construction of railways in the Province, lines which have been guaranteed by the Government or to which grants have been made? A.—Yes.

Q.—You are familiar with the Central Canada Company? A.—Yes, to a certain extent.

Q.—And do you remember what year the charter for that company was passed or granted by the Legislature? A.—The guarantee was authorized in the second session of 1913.

Q.—For how much a mile? A.—\$20,000 a mile.

Q.—For a distance of 100 miles? A.—Yes.

Q.—When was it incorporated or the charter granted? A.—I could not say just off hand, I think about the same time.

Q.—What rate of interest did the bonds carry under the original guarantee? A.—Four and a half per cent. per annum.

Q.—And that was subsequently increased to 5 per cent., was it? A.—No, that was not increased to 5 per cent.—4½ per cent.

Q.—Were the bonds of the railway guaranteed? A.—The guarantee was practically included in the mortgage covering the loan. The guarantee had never been put through previous to the time the mortgage was drawn out covering the loan.

Q.—Were the bonds guaranteed? A.—That is the best answer I can give you to that.

Q.—Do you know whether or not they were? A.—I say the bonds were not guaranteed previous to the drawing up of the mortgages covering the loan but the guarantee was practically included in the mortgage agreement.

Q.—Was there a recommendation of the railway department to the Lieut. Governor-in-Council asking for the guarantee? A.—The ordinary guarantee forms were never drawn out.

Q.—What forms were drawn out? A.—There was a mortgage covering the loan and construction agreement entered into between the Province of Alberta, the Central Canada Railway Company and the Edmonton, Dunvegan and British Columbia Railway as guarantor.

Q.—Have you that agreement? A.—Yes. (Produces construction contract of the Central Canada).

Q.—When was this filed with your department? A.—Do you mean the date it was executed?

Q.—No, the agreement itself, when was it filed with your department? A.—I could not say just off-hand. These documents were brought down by the legal people of the railway company without any covering letter—they were brought down to discuss them.

Q.—Were they left when they were discussed? A.—Yes.

Q.—Have you any record of what date that was? A.—I could not say definitely. I should imagine some time during the month of May. I could not give you any closer than that from memory.

Q.—Is it not customary to put the filing stamp on documents when they are filed with

your department? A.—They were not actually filed at that time. They were brought to the office for discussion.

Q.—When were they actually filed? A.—The documents would not be filed before they were executed.

Q.—You and I agree on that point. When were they actually filed, when did they actually come into your custody? A.—I could not tell you off-hand.

Q.—Have you any record to show? A.—No, I have not.

Q.—Is it not your custom to put the filing stamp with the date on documents on the day they are filed? A.—Well, I did not do it in this case.

Q.—Is that not your custom? A.—There are generally covering letters but in this case there were not.

Q.—Is not your custom to put the stamp on the document on the date it is filed showing what date it was filed? A.—As I said before I do not need it when there is a covering letter.

Q.—Is it not the custom to put the filing stamp upon the document showing the date upon which it was filed? A.—I have not got a filing stamp in my office. I keep a record by the covering letters. I have not got a filing stamp in my office with the date on it.

Q.—Do you usually put the date on a document on which it is filed in your office or not? A.—I do not.

Q.—That is not your practice. You can give us no idea of what date this contract was filed? A.—The date these things were filed would be the same date that the Order-in-Council was passed authorizing the signing of them.

Q.—What date was that Order-in-Council? A.—The Order-in-Council was passed on June 8th, 1915.

Q.—What does that Order-in-Council provide for? A.—It authorizes the execution of these two documents.

Q.—You mean by that the construction contract and the mortgage securing the advance? A.—Yes.

Q.—Have you the original of that mortgage? A.—The original mortgage will be on file in the Executive Council Office.

Q.—Could you produce the original mortgage for my inspection this morning?

MR. MITCHELL:—Yes, we can have it brought in. (Put in as an Exhibit).

Q.—MR. TWEEDIE:—Now, have you any correspondence between the Government and J. D. McArthur or the E.D. & B.C. Railway Company or the Central Canada Railway Company in regard to this loan of two million dollars? A.—No, I have not, not a document, not a letter.

Q.—Who would have those? A.—As a matter of fact I could not tell you.

Q.—Are there any letters? A.—Not to my knowledge.

Q.—You are the secretary of the railway branch of the Department of Railways and Telephones? A.—Yes.

Q.—You have the custody of the documents? A.—Yes.

Q.—If there was any correspondence covering this matter that correspondence would be under your control? A.—Unless it was a phase of the matter that should be in the Treasury branch, something like that. They may have correspondence.

Q.—It would be between you and the Treasury Branch? A.—I should think so.

Q.—You have none at all? A.—No.

Q.—Not a single letter? A.—I went through my files and I find there is absolutely nothing. There is a little correspondence I have brought with me but it has nothing to do with the loan, it is in connection with the original guarantee.

Q.—It has nothing whatever to do with the loan. Did J. D. McArthur write a letter to the Government asking if they would make the loan? A.—I could not answer.

Q.—You have no letter showing it? A.—I have no letter.

Q.—What is the first document which you have in your possession touching this loan? A.—We have the estimates and copies of vouchers covering all payments on the loan.

Q.—That is all payments made out on the loan to the Central Canada Railway Co.? A.—Covering all cheques signed by the Provincial Treasurer out of that loan account.

Q.—Who has the cheques? A.—I think the Treasurer would have the cheques.

Q.—Who signs these cheques?

MR. MITCHELL:—Mr. Newson and the auditor.

Q.—MR. TWEEDIE:—Now, have you your first estimate? A.—Yes.

Q.—What is the amount of that estimate? A.—\$274,061.99.

Q.—That is just a progress estimate, is it not? A.—Yes.

Q.—Have you got the preliminary estimate of the cost of construction of that line which was filed before the work was started? You keep the estimates and vouchers? A.—This first payment was made when I was on my Summer holidays.

Q.—The documents would be in your department, there was a man looking after your work? A.—Oh, yes.

Q.—Now, leaving that preliminary estimate of cost of construction. After that the first estimate you have filed is one dated June 8th, 1915? A.—Yes.

Q.—For \$274,061.99? A.—Yes.

Q.—Did you check this over? A.—I could not remember off-hand. I think that was put through while I was out of town.

Q.—Would you authorize the payment of the money? A.—The estimate would be signed by Mr. Douglas as engineer.

Q.—So that you are not familiar with the information which is contained in this estimate of your own knowledge? A.—No.

Q.—And this covers 48.7 miles? A.—Yes.

Q.—And do you know what portion of the work this covers? A.—I could not say off-hand. The work would be distributed over that 48.7.

Q.—It would be from the E.D. & B.C. to Peace River? A.—Yes.

Q.—What is that estimate supposed to represent so far as you understand? A.—It is supposed to represent the payment of money on construction or cost of construction to that date.

Q.—What per cent. did you pay? A.—Twenty per cent. of the total work done is retained giving them 80 per cent.

Q.—Why did you retain 20 per cent. and pay 80 per cent? A.—According to the statutes.

Q.—You are allowed to make that advance of the cost—Here is Mr. Douglas now.

MR. DOUGLAS:—There is no preliminary estimate of cost.

Q.—MR. TWEEDIE:—So that there is no preliminary estimate of cost of construction of that Central Canada Railway filed at all? A.—I understand it is not needed.

Q.—Answer my question. I don't care what you understand. A.—There is none filed.

Q.—You know that it is customary to have filed with the railway department a preliminary estimate of cost of construction on all lines which have been built in this Province and guaranteed by the Government? A.—There has been no previous guarantee ever put through in the same way.

Q.—I don't care about the same way at all. All roads which have been constructed in this Province on guarantees by the Government have filed a preliminary estimate of cost of construction, haven't they? A.—Yes, certainly.

Q.—You can't name any line of railway which has been constructed in this Province under guarantees by the Government in which there has not been filed before work was commenced a preliminary estimate of the cost of construction, can you? A.—No, but under this covering statute we did not consider it necessary to have a preliminary progress estimate.

Q.—MR. MITCHELL:—Why? A.—Because we were allowed to advance up to 80 per cent. of the money expended on the work.

Q.—You are allowed that by statute? A.—Yes.

Q.—MR. TWEEDIE:—And because the Province of Alberta was lending McArthur two million dollars as a straight loan you thought it was not necessary to have any information?

MR. STEWART:—I object to that.

Q.—MR. TWEEDIE:—You knew this was a straight loan of \$2,000,000? A.—Yes.

Q.—It was loan for the purpose of constructing a line to Peace River Crossing? A.—Yes.

Q.—A distance of approximately 50 miles? A.—MR. MITCHELL:—It was more than that. It was provided also that if there was any money left over it could be applied on additional mileage.

Q.—MR. TWEEDIE:—It was to build this 50 miles of railway, that is what the statute says? A.—That is fully covered in Section 3 of the mortgage. "Any balance of the amount advanced not paid out for the completion of the said portion of the said line shall until repayment of the amount advanced and interest remain in the said special account to be paid out to the company or its nominees towards the completion of the balance of the said line," etc. It is all fully set out in the mortgage.

Q.—Just read the section in the mortgage, please? A.—"The proceeds of the sale or other disposal of the said provincial five per cent. (5%) ten-year bonds of the par value of Two Million Dollars (\$2,000,000) shall be paid directly by the Government into such bank or banks as the Government may approve to the credit of a special account or accounts in the name of the Provincial Treasurer of Alberta and the balances at the credit of the said special account or accounts shall be credited with interest at such times and at such rates as may be agreed upon between the company and the bank holding the same, and such interest may from time to time be paid out to the company by the Provincial Treasurer upon payment from time to time of the half-yearly interest due by the Company to the Government upon the amount advanced, and the said balance shall from time to time be paid out to the company or its nominees in monthly payments as far as practicable as the construction of the line of railway is proceeded with to the satisfaction of the Province according to the specification or standard fixed by contract between the Government and the Company; and from time to time as the said work of construction proceeds the Province shall out of the said balances pay to the Company or its nominees in monthly payments as far as practicable such sums as an engineer appointed by the Lieut.-Governor-in-Council shall certify as justified, having regard to the proportion of the work done upon the said line as compared with the whole work done or to be done upon the said portion of the said line from the said point on the line of the Edmonton, Dunvegan and British Columbia Rail-

way to at or near Peace River Landing. PROVIDED, HOWEVER, that should any change of location in the said line be effected thereby the estimated cost of the said portion should be reduced so that the proceeds of the said bonds as so certified by the Provincial Treasurer shall be greater than eighty per cent. (80%) of such revised estimate, then the Province shall out of the said balances pay to the company or its nominees in monthly payments as aforesaid an amount or amounts equal to eighty per cent. (80%) of the value of the work done as certified by the said engineer. Any balance of the amount advanced not paid out for the completion of the said portion of the said line shall until repayment of the amount advanced and interest remain in the said special account to be paid out to the company or its nominees towards the completion of the balance of the said line of railway according to the said specifications or standard in monthly payments as far as practicable in such sums as the said engineer shall certify as justified having regard to the proportion of the work done upon the said balance of the said line as compared with the whole work done or to be done thereon. Upon repayment of the amount advanced and interest any balance of the amount so paid into the said bank or banks shall be paid to the company. Pending completion of the said line or repayment of the amount advanced the balance at the credit of the special account shall until paid out as above provided be deemed part of the mortgaged premises under this indenture and shall not be taken to be public moneys received by the Province."

Q.—When was your second estimate received? A.—The second estimate was dated 2nd July, 1915.

Q.—For what amount? A.—You want me to give you the amount paid?

Q.—No, the amount of the estimate. A.—\$396,781.77.

Q.—What amount was paid out under it? A.—\$43,363.43.

Q.—When was the next estimate received? A.—It is dated July 23rd, 1915.

Q.—Where is the estimate which you received? A.—It is in my book here.

Q.—Was that the form in which it was handed in to you? A.—Yes. I might say we had these forms drawn up so that they would be a standard sheet. We supplied the railway companies with these sheets starting from this date.

Q.—Can you take that sheet out and file it with these? A.—Yes, I can.

Q.—What is the amount of that? A.—A total of \$464,622.97.

Q.—How much was paid out under it? A.—\$54,272.96.

Q.—Did you pay 80 per cent. in that case? A.—Yes.

Q.—When was your fourth estimate received? A.—It is dated August 23rd, 1915.

Q.—What amount? A.—The total estimate is \$532,923.91.

Q.—What was paid out? A.—\$54,640.75.

Q.—When was the next estimate filed? A.—It is dated 18th September, 1915.

Q.—What amount? A.—\$652,444.37.

Q.—How much was paid out? A.—\$95,616.37.

Q.—When was the next estimate filed? A.—October 25th, 1915.

Q.—How much? A.—Total estimate \$775,102.69.

Q.—How much paid out? A.—\$98,126.66.

Q.—The next estimate? A.—November 17th, 1915.

Q.—How much? A.—\$793,019.13.

Q.—How much paid out? A.—\$14,333.15.

Q.—Any more estimates filed? A.—Yes.

Q.—What date? A.—December 23rd, 1915 and January 31st, 1916.

Q.—What is the December 23rd estimate? A.—The total estimate was \$866,607.36.

Q.—How much was paid out? A.—\$58,870.58.

Q.—The next estimate; have you a voucher for that? A.—Yes. January 31st, 1916, \$912,033.31.

Q.—How much paid out? A.—\$36,340.76.

Q.—Any further estimates? A.—No further estimates.

Q.—Any further payments out? A.—One interest payment.

Q.—How much? A.—\$26,493.84.

Q.—What date? A.—November 20th, 1915.

Q.—That was paid under the terms of the contract? A.—Under the terms of the mortgage and the statute.

Q.—What interest was that? A.—The interest which had accrued on the amount to the credit of the Provincial Treasurer for the construction of the Central Canada Railway.

Q.—For the construction of the railway. What amount was that interest on? A.—I have not got the bank book here.

Q.—Will you let me have the vouchers? A.—Yes. (Produces copies).

Q.—Now, that makes a total of how much? Have you got the figure? A.—Yes. Total payments under the estimates \$729,626.65.

Q.—What does that represent? A.—It represents 80 per cent. of the cost of work done on the line between McLennan and Peace River Crossing.

Q.—That is actually 80 per cent. of the cost of the line from McLennan to Peace River Crossing? A.—Yes.

Q.—Have you got the cost? A.—That is so far as the progress estimates have gone.

Q.—The road is completed, is it not? A.—No, not quite.

Q.—How many miles completed? A.—The engineer can tell you more about that.

Q.—He said it was practically completed? A.—Yes, it is not actually finished. As a matter of fact I think there is bridge work to be done.

Q.—Of course, you don't keep much track of that? A.—I am not up there.

Q.—When these estimates come in and payment is authorized, who authorizes the payment? A.—The authorization is given by the Minister of Railways and Telephones or the acting Minister.

Q.—Do you check over the estimates before the authorization is made? A.—It is a matter for the engineer.

Q.—So that so far as these estimates which are furnished to you you know nothing as to their correctness or incorrectness? A.—I am satisfied they are correct.

Q.—Of course, I would not think you would consent to a dollar being paid out unless you were absolutely sure they were correct? A.—I am not called upon to check up the quantities.

Q.—Who prepares these estimates? A.—The estimates are prepared by the Central Canada Railway.

Q.—They are prepared by the company themselves. Now, have you seen any alterations made in any estimates which the company has filed? A.—Oh yes.

Q.—In these particular estimates? A.—I could not say just definitely off-hand. I know that frequently errors are found and when we do find them the estimates are sent back to have them put in properly.

Q.—Have you any record of ever turning back one of these estimates? A.—Well—

Q.—What mistakes did you ever discover? A.—I could not say off-hand. I know they have been incorrect and have been sent back.

Q.—That is a matter of addition and subtraction, I suppose? A.—Not necessarily.

Q.—MR. TURGEON:—You told Mr. Tweedie that these estimates were returned by the railway company to you; does any engineer see them after they are prepared by the railway company? A.—These estimates come into the office and when they arrive they are checked over for errors by the engineer.

Q.—It is not purely an error in addition and subtraction at all? A.—I made the statement that there have been numerous errors.

Q.—Mr. Tweedie made the statement that these would be errors of addition and subtraction. A.—Oh, they might be.

Q.—There might be engineering errors? A.—Oh, quite.

Q.—MR. TWEEDIE:—Can you give me any instance of any error at all? A.—I cannot recall one.

Q.—Have you any records to show any error? A.—No.

Q.—What other documents have you in regard to this loan? A.—I think you have them all.

Q.—You have some correspondence with regard to the original guarantee? A.—There is the file. (Produces).

Q.—Will you leave this file? A.—Yes.

Q.—Now, under the mortgage what security has the Province of Alberta for that loan? A.—They have—

Q.—Just read the hypothecation or mortgage clause. A.—It is clause 2 of the mortgage. "For value received and for the purpose of securing the repayment to the Province of the amount advanced and interest thereon at the rate of five per centum (5%) per annum half yearly on the 1st November and 1st May each year, the company hereby grants unto the Province the said line of railway constructed and to be constructed by the company, and the rolling stock, equipment and property, rights, privileges, franchises and powers of the company, present or hereafter to be acquired, for the purpose of or belonging or appurtenant to the said described line of railway, or incident to the maintenance and operation thereof (including the right to use for all purposes of the line embraced in this security such terminals as may be directly connected with and used with said line during the existence of this security), and also the tolls, revenues and incomes of the company arising and to arise therefrom, and all and singular the estates, way-leaves and easements, freehold, leasehold or otherwise, belonging or appurtenant to the said line or used therewith, all telegraph and telephone lines, all roadbeds, superstructures, rights-of-way, rails, tracks, side-tracks, sidings, extensions, bridges, viaducts, buildings, depots, stations, tanks and water appliances, warehouses, carhouses, engine houses, freight houses, coal houses, wood houses, machine shops and other shops, turntables, water stations, fences, structures, erections and fixtures, and any and all other property real or personal, of every kind or description, now or hereafter provided for the said line or any part thereof, or for the maintenance or operation thereof, or used in connection therewith, all machinery, instruments, tools, implements, fuel, materials, furniture and other chattels now held or hereafter held, acquired or provided for the said line, including materials and supplies purchased or acquired therefor, though the same may not have been actually delivered, the whole being in this indenture called or referred to as the 'mortgaged premises.'"

Q.—What other security have they? A.—The guarantee of the E.D. & B.C. railway.

Q.—What other security have they. You have read the mortgage over carefully at different times? A.—Oh, yes.

Q.—What other security have they? A.—I have not got it memorized.

Q.—What other security have they? A.—They have the mortgage of the Edmonton and Dunvegan Company.

Q.—Is there any other security mentioned in that mortgage? A.—They have also the balance of the proceeds in the name of the Provincial Treasurer which have never been paid out to the railway.

Q.—Is there any other security mentioned in that mortgage which the Province holds from the Central Canada Railway? A.—I don't think there is—unless there is something which I have missed.

Q.—Where is the guarantee of the E.D. & B.C. Railway? You will look it up? A.—Yes.

Q.—Have you any other securities? A.—So far as I know there is the mortgage of the E.D. & B.C. Railway Co., the mortgage security mentioned in the paragraph that I read and the money in the bank that is not expended.

Q.—What is the consideration for that mortgage? A.—I am not a lawyer.

Q.—What is the consideration set forth. A.—MR. MITCHELL:—The consideration is the exact amount of money that is advanced from time to time. It may not necessarily be two million dollars.

Q.—MR. TWEEDIE:—Have you any other documents? A.—No, that finished me.

Q.—That finishes all the documents you have? A.—Yes.

Q.—You have no books of record in connection with it? A.—No, other than these.

Q.—You have produced here this morning every document and letter and everything you have in connection with the construction of this road in your department? A.—Yes.

RALPH DOUGLAS: (Recalled).

EXAMINED BY MR. TWEEDIE:—

Q.—How old are you? A.—28.

Q.—And you have been in the employ of the Government how many years? A.—~~Since~~ Since 1909.

Q.—Always as an engineer? A.—Yes.

Q.—What was your first position as an engineer? A.—I was connected with the drainage department and the surveys the first year.

Q.—For the Government? A.—Yes.

Q.—And after you left the drainage department where did you go? A.—I was under Mr. Chalmers in the construction department.

Q.—That is public works other than railways? A.—Yes.

Q.—How long did you remain there? A.—Till the Railway Department was formed in 1912.

Q.—You have your degree, I suppose, as a Civil Engineer? A.—Yes.

Q.—As well as mechanical and structural? A.—No; in civil engineering.

Q.—You had no experience until you commenced work for the Department? A.—That is the year I graduated.

Q.—You devote all your time to it now? A.—Yes.

Q.—Your superior officer is Mr. Jones? A.—Yes.

Q.—He doesn't devote all his time to it? A.—No.

Q.—Did he have anything to do with the inspection or supervision of the Central Canada Railway? A.—He had nothing to do with the signing of the estimates; I signed them all. He has been over the line.

Q.—You had been over all the work? A.—Yes.

Q.—Now, what are these estimates? You heard them read out here this morning, what do they represent? A.—They represent the work that has been done.

Q.—From where? A.—From the junction of the Central Canada at mile 262 down as far as the crossing of the Peace River.

Q.—Is the steel laid right into Peace River? A.—The steel is laid practically right into the village, the crossing of the Hart I believe is in the incorporated village.

Q.—You are right into Peace River Village? A.—Yes.

Q.—And the terminal is there? A.—Well, the terminal is a little beyond where the end of the steel is, the station that is.

Q.—Across the Hart? A.—It is across the Hart and across another creek.

Q.—How wide is the Hart? A.—The bridge is about 600 feet long.

Q.—The Hart River? A.—The bridge will be about that long.

Q.—Have you figured out the cost of the bridge? A.—No.

Q.—Have you any idea what it would cost? A.—I have an idea.

Q.—About how much? A.—About \$80,000.00.

Q.—For a steel bridge? A.—A steel bridge.

Q.—It has been commenced? A.—Yes.

Q.—What kind of piers? A.—Concrete pedestals. A great portion will be over land, it is a viaduct.

Q.—A great portion of the bridge is over land? A.—Yes, and there is the river, only a short span.

Q.—What is the actual width of the river? A.—I could not say. The river is not very big itself. The bridge has to be so high up it makes it a long one.

Q.—What is the actual width of the river, do you think? A.—It is only a trickle in the winter time and in high water a hundred feet wide.

Q.—Now, how many more bridges were constructed between the E.D. & B.C. and Peace River? A.—I think there are six trestles, small trestles. There is one fairly large one, probably 125,000 feet of timber.

Q.—How long is it? A.—I could not say exactly what the length is now.

Q.—Have you any idea? A.—I might make a guess. About a couple of hundred feet.

Q.—That is the longest, 200 feet? A.—That is the one I mentioned, about 125,000 feet of timber.

Q.—How long are the others? A.—Oh, they are small, small trestles over small creeks.

Q.—Five or six benches? A.—Five or six bents.

Q.—What is a bent? A.—The bridge is made up of a certain number of bents.

Q.—These are just supports? A.—The distance between the supports.

Q.—What is the distance between the bents? A.—It varies, 16 feet and 20 feet according to the height of the bridge.

Q.—Taking all trestles and bridges what is the total length? A.—Oh, I could not say.

Q.—How many feet of bridges and trestles? A.—I could not say off-hand.

Q.—Is there any difference between the trestle work where the line is constructed and where it was to have been constructed when you changed the route? A.—Yes.

Q.—How many bridges would there have been on the original? A.—You mean the one going down the Hart Valley?

Q.—Yes. A.—I believe there were about 58 bridges on the original route.

Q.—On the original route there are 58 bridges? A.—May be a little more, may be a little less, depending on what it turned out to be when they started construction.

Q.—You prepared a report and furnished it to the Government of your views with regard to the two routes. Will you let me have that report? (Produced).

Q.—This report was made on the 5th of June? A.—Yes.

Q.—And you made it to W. J. Harmer, Deputy Minister of Railways and Telephones? A.—Yes.

Q.—Is Mr. Harmer the man who directs the railway construction? A.—He is the man I am directly responsible to, he is Deputy Minister. He receives all reports.

Q.—What date did you make this report? A.—June 5th, 1915.

Q.—Did you make any other reports to the Government? A.—I made reports through the summer as to construction.

Q.—Have you got these reports? A.—Yes.

Q.—Will you let me see those? (Produced).

Q.—You also made a report on August 17th, 1915? A.—Yes.

Q.—And on November 11th, 1915? A.—Yes.

Q.—Now, the route was changed from about mile 27? A.—27.72.

Q.—What was the farthest point from the old route? A.—At any portion all the way the new line was from the old one only about 8 miles.

Q.—Now, when was work started on the diverted line as finally completed? A.—About the beginning of June some time.

Q.—Had the route all been surveyed out? A.—The route was just finally decided on as the contractor was on the ground when I arrived. He didn't have time to get his cross sections.

Q.—What is the grade from mile 27 to Peace River Crossing? A.—What percentage of grade?

Q.—Yes. A.—From mile 27 to the top of the hill it is a fairly easy grade; to the top of the Smoky it is a level grade, probably .5 up to one per cent. and from there down to the Peace River Crossing, a distance of about seven miles, it is a 2.4 grade.

Q.—What is the grade from the junction of the E.D. & B.C. to the top of the hill on the Smoky? A.—Well, it varies; it isn't over one per cent.

Q.—Are there many heavy cuts? A.—No.

Q.—Or fills? A.—No.

Q.—It is very level country? A.—It is fairly level; it is average country.

Q.—Up to the top of the Smoky? A.—Yes.

Q.—MR. TURGEON:—Is one per cent. a light grade? A.—It is a fairly average grade. A one per cent. line is a little heavy perhaps. One per cent. is a good line.

Q.—MR. TWEEDIE:—You personally inspected this line? A.—Yes.

Q.—Take the first estimate. What portion of the road does that cover? A.—That covers the part built in 1914 up to mile 27.7.

Q.—So that the cost of the first 27 miles of the road was \$342,577.49? A.—Yes.

Q.—Ties, 90,000 at 50 cents each? A.—Yes.

Q.—Did you see the invoice for these ties? A.—I don't remember whether I did or not. I could not say.

Q.—Didn't you take the invoice and check them over? A.—No. There are so many ties to the mile; I didn't have to check the actual number.

Q.—You don't know whether you checked over the invoice price or not? A.—Not off-hand.

Q.—Clearing 410.4 at \$40 per acre? A.—Yes.

Q.—Did they pay that for it, do you know? A.—I could not say whether they did or not. That is a fair average price.

Q.—Do you know if they actually paid \$40 per acre for it? A.—That is the price. That is the contract between the Railway Company and the Construction Company.

Q.—Which is the Construction Company? A.—J. D. McArthur.

Q.—Who is the Railway Company? A.—The Central Canada.

Q.—J. D. McArthur is President of the Central Canada? A.—I believe he is.

Q.—He is President of the Construction Company? A.—I believe so.

Q.—Do you know what the Construction Company actually paid? A.—No.

Q.—Do you know what they actually paid for grading? A.—No.

Q.—Do you know what they actually paid for earth? A.—No.

Q.—Do you know what they actually paid for any item which is on this estimate which you approved of? A.—These items which I approved of are the items which the Construction Company charged the Railway Company.

Q.—You don't know what that work actually cost the Construction Company? A.—I could not have access to all the Construction Company's books and go into every little detail that was ever done.

Q.—Telegraph lines, \$250 per mile? A.—Yes.

Q.—How many wires? A.—Two wires.

Q.—What is the value of the wire? A.—It is the contract price for the telegraph line.

Q.—Everything on this estimate was the contract price between the J. D. McArthur Construction Company and the Central Canada Railway Company? A.—Practically, with the exception of perhaps rails. They vary in price, also the track fastenings.

Q.—Everything but track fastenings and rails? A.—I don't know whether ties are, I am not sure.

Q.—Where do you get your information as to the cost of rails? A.—Well, it is a fair price.

Q.—Do you know what they actually cost? A.—I know what they actually cost where they buy them and can figure out approximately what they will cost here.

Q.—What did you figure it? A.—\$38.88.

Q.—What did you figure out they actually cost? A.—I could not tell whether I figured \$38.88 myself, but that is a fair price.

Q.—You took these prices as being fair estimated prices? A.—Yes.

Q.—Do you know what the Company paid for them? A.—I could not say exactly what they paid for them. The prices vary so much, it might be more one time and less another time. It is a fair average price.

Q.—And grading, was that included in the Construction Company's contract? A.—The price is included for the different items.

Q.—Did they actually pay that to the Construction Company? A.—I could not say.

Q.—Bridges and culverts, is that included in the contract? A.—The prices for the various items under culverts is included in the contract.

Q.—And bridges? A.—Yes.

Q.—Did they actually pay what is there? A.—I could not say.

Q.—Ties—did they actually pay that for the ties? A.—I could not say.

Q.—Rails—did they actually pay that for the rails? A.—I could not say.

Q.—The rails were not included in the contract? A.—No.

Q.—And track fastenings? A.—They are not in the contract either.

Q.—Did they actually pay these amounts for them? A.—I could not say.

Q.—Track laying and surfacing? A.—That is in the contract.

Q.—Did they actually pay that amount? A.—I could not say for sure.

Q.—Telegraph lines, is that in the contract? A.—Yes.

Q.—Did they actually pay that amount for it? A.—I suppose so.

Q.—Do you know? A.—I don't know for sure.

Q.—General legal expenses? A.—That is ledger account.

Q.—Did they actually pay that amount? A.—According to the ledger they did.

Q.—That is all you have to guide you? A.—Yes. I have a general knowledge.

Q.—MR. MITCHELL:—Are the prices as set out fair? A.—I believe them to be very fair.

Q.—MR. TWEEDIE:—Did you measure up all the work that was done? A.—No.

Q.—Who did? A.—The Company's engineers on the ground; as the work was done they measured it.

Q.—Then they told you what they measured? A.—They put in their estimates.

Q.—You did not measure it yourself? A.—No.

Q.—You took their statements? A.—It was impossible for me to measure it.

Q.—MR. MITCHELL:—You took their measurements on which they made their payments? A.—Yes.

Q.—MR. TWEEDIE:—Here is a statement filed on the 8th of June, that is the first one, and here is one on the 2nd July. What additional work is in that? A.—Some clearing—a little earth. That seems to be the only difference—the grading.

Q.—They are both the same except as to the grading? A.—I think that is all. That seems to be the only difference.

Q.—Do you know what that difference amounts to in dollars and cents? A.—I suppose I could figure it out.

Q.—Every estimate which is filed with you includes all the work of the previous estimate? A.—Yes.

Q.—You just put on the addition? A.—Yes.

Q.—Have you anything to show in these estimates as to what portion of the road this work was done on? A.—There is nothing in these estimates to show. I do that by going over the line.

Q.—The statements which you have made with regard to your information as to the first estimates practically applies to all the estimates? A.—Practically, yes.

Q.—Which were filed with the Government? A.—Yes.

Q.—MR. MITCHELL:—That is that the unit prices were fair? A.—Yes.

MR. TWEEDIE:—And he had no information except what was given to him.

MR. MITCHELL:—No information as to the actual payments.

MR. TWEEDIE:—No information as to the actual cost.

WITNESS:—As far as I am concerned that is the actual cost.

Q.—MR. TURGEON:—Under bonds guaranteed by the Dominion Government that Government sends out inspectors too? A.—Yes, I believe they do.

Q.—Would that inspector have any of this detailed information which you have not got; would he know what actual prices were paid? A.—He would not know any more.

MR. TWEEDIE:—The defect of that system being very evident in the construction of the Grand Trunk through the Dominion of Canada.

MR. MITCHELL:—There is no warrant for that statement at all.

Q.—MR. TURGEON:—When the Canadian Pacific Railway send out an inspector on roads they are building does their inspector make a minute inspection of the contractor's figures or does he do as you do? A.—He has to take the figures given him by the resident engineer on the ground.

Q.—He doesn't have any more information than you have, you are sure of that? A.—Yes.

Q.—MR. CAMPBELL (Rocky Mountain):—Do the Canadian Pacific Railway not have a resident engineer on the ground looking after their interests? A.—Yes.

Q.—MR. TWEEDIE:—Do you suppose the Canadian Pacific Railway Company start construction of a railway without a route map first? A.—You would not think so.

MR. MITCHELL:—We have a route map.

Q.—MR. TWEEDIE:—Do you think the C.P.R. would wait until the work was completed to get a route map? A.—They would have to wait to get their final route map.

Q.—As a railway engineer do you believe that the C.P.R. would allow a diversion of 8 miles from the route map on file without having a route map showing where the construction was to be and without having plans filed in their office, without having profiles filed and without having specifications to check it up? A.—I could not say what the C.P.R. would do.

Q.—MR. TURGEON:—Did the railway company which is building the Canada Central make a change of 8 miles without having plans and profiles in their possession? A.—They could not make plans until they had made their change.

Q.—MR. TWEEDIE:—You didn't have any plan of this line from mile 27.72 into the Peace River filed in your department until after the work was completed? A.—Not the final route map.

Q.—No plan? A.—No, there was no plan filed.

Q.—You didn't have any profile of the work filed in your office until after the work was all completed, did you? A.—No.

Q.—You didn't have any specifications covering this work filed in your office at any time? A.—The specifications were included in the construction contract.

Q.—You didn't have a copy of these filed in your office in connection with this work at any time? A.—Yes, I have them right here. I have had them all summer.

Q.—Had you them filed before the Central Canada was built? A.—I don't think it is necessary to file them. I had them for my own information.

Q.—Was it necessary for you to have these specifications for your own information? A.—I don't think it is necessary according to the Act but I had them for my own information.

Q.—Is it not good business? A.—I think it is all right for me to have them.

Q.—Would not it be good business to have a copy of the plans? A.—If it is possible to get them.

Q.—Do you mean to say it would not be possible to get a copy of these plans? A.—Not unless they are made. The engineers didn't finish this route until the contractors

were on the ground. The engineer who made that final route was made resident engineer and he had to turn right in and make cross sections for the contractors to work by, and he was busy all summer. He is the man that should make these plans.

Q.—Had you filed with you copies of the cross sections he was busy on? A.—I was in his office all summer; I saw them all summer.

Q.—Were there any filed with the Government? A.—No.

Q.—You had no documents filed with you before the commencement of this work by which you could go to the Central Canada Railway Company and say: Here, your work is not being constructed in accordance with the plans, profiles, specifications and route map filed in your office? A.—If I did that there would be no line constructed in Alberta according to plans and profiles in our office.

Q.—Don't you know that in 1913 J. D. McArthur wrote to this Government about the bonds? A.—No.

Q.—In October 1913, the Central Canada wrote to this Government in connection with the guarantee; do you mean to say since that time they have not had time to prepare plans and profiles and file them with the Government? A.—They did prepare plans and profiles which I accepted.

Q.—That is what they should have done? A.—They did.

Q.—Why didn't they file them in connection with this change of route? A.—They could if they had held up the work.

Q.—MR. MITCHELL:—With respect to the plans and profiles which were necessary in connection with the change of route were there plans and profiles in existence anywhere? A.—Each resident engineer had his own profile.

Q.—You had access to these continually during the progress of the work? A.—Yes.

Q.—Was that sufficient for your purpose? A.—That was all I needed.

Q.—If final plans and profiles are made afterwards that is only for the purpose of record and not for the purpose of construction? A.—Yes.

Q.—For the purposes of construction you had all the information you needed in order to make a proper inspection of the road? A.—Yes, certainly.

Q.—MR. TWEEDIE:—All the documents you were using to check up this work were documents in the hands of engineers of the Central Canada Railway Company itself? A.—Yes. The Chief Engineer of the line would not even have a copy made, they are made by the resident engineers and they are changed from time to time as he sees fit.

Q.—Will you answer my question? All the documents which you used in connection with the checking up of this work were documents in the hands of the Central Canada itself, were they not? A.—Well, I had the specifications.

Q.—The E.D. & B.C.? A.—No, the Central Canada.

Q.—When were they filed? A.—Well, I got them when construction started in the summer time.

Q.—Off the E.D. & B.C. files? A.—Yes.

Q.—CHAIRMAN:—That was all that was necessary? A.—That is all I required for my inspections.

Q.—MR. TWEEDIE:—But it was all you had, wasn't it? A.—Yes, that was all I had.

Q.—Do you check all this work mile by mile? A.—I have been over every mile.

Q.—Did you examine it carefully? A.—I did.

Q.—What time did you spend on it? A.—I could not give you exactly what time. I was up there off and on all summer.

Q.—Have you any records to show the dates on which you visited there? A.—I could probably give you some of the dates.

Q.—When was the last trip you made there? A.—Just about Christmas time.

Q.—When was the last estimate received? A.—January, probably.

Q.—Have you been up since Christmas? A.—No.

Q.—What time in January was the last estimate received? A.—January 31st was the last estimate.

Q.—The last one before that was on December 23rd, wasn't it? A.—Yes. That was about the time I was up.

Q.—What date in December were you up there? A.—Just about the time that estimate was being prepared.

Q.—That was the last time? A.—Yes.

Q.—How could you certify to the progress estimate when you hadn't been up there to see? A.—I know the steel was on the ground.

Q.—How could you certify to a progress estimate on January 31st when you hadn't been up there since about 23rd December? A.—I can certify to estimated quantity. I didn't certify to actual figures.

Q.—How could you certify as to work between 23rd December and 31st January? A.—Well, there was some work included in the December estimate that I saw when I was up there that wasn't included in their January estimate.

Q.—Is that the only explanation you have? A.—I know a great portion of this is material on hand. Most of it is material on hand which I can go out and see at the E.D. & B.C. yards.

Q.—That is in the construction of the road is it? A.—The material is on hand—

that is practically on the road. It is on hand and it is available. They have paid for it when it is in their yards.

Q.—You gave them estimates on stuff which is lying down here in Edmonton about 250 miles away? A.—Yes.

Q.—You make advance payments? A.—Yes.

Q.—What stuff was lying down here in the yard? A.—Some rails.

Q.—How many rails were here in the yard? A.—About \$18,000.00 worth.

Q.—On 31st January? A.—Yes.

Q.—Where are those rails now? A.—Some of them have been put on the track and some of them still out here.

Q.—How many were put on the track? A.—I could not say since this last estimate.

Q.—Have you an inventory of what you checked up here in the yard? A.—No, I was in the yard and saw the material they had there.

Q.—Did you take an inventory of it? A.—Not an actual inventory.

Q.—MR. CRAWFORD:—Did they have other rails in the yard other than these? A.—Yes, there would be other rails there.

Q.—MR. TWEEDIE:—Were these rails labelled Canada Central? A.—No.

Q.—How do you know they were Canada Central? A.—I took the word of the Company.

Adjourned.

FRANK WHITESIDE,
Chairman.

THURSDAY, 16th MARCH, 1916

WHITMAN R. SMITH: (Sworn).

EXAMINED BY MR. TWEEDIE:

Q.—You are the Superintendent of the Central Canada Railway? A.—No, I am the Chief Engineer and General Manager of it.

Q.—How many miles of that railway is constructed? A.—Practically 50 miles.

Q.—From McLennan to Peace River Crossing? A.—A point near McLennan to Peace River Crossing.

Q.—It joins the E.D. & B.C.? A.—Yes.

Q.—You have a train service running in there? A.—Yes.

Q.—What service have you? A.—We are connecting as nearly as possible on construction service with the Edmonton train arriving at McLennan.

Q.—How often? A.—Twice a week.

Q.—What days do you run in? A.—We leave here Monday and Thursday arriving there Tuesdays and Fridays.

Q.—And you haul in passengers and freight over that road? A.—Yes.

Q.—Have you any tariff fixed? A.—We have a fixed tariff, yes.

Q.—And approved by the Railway Commission? A.—The tariff would not be subject to the Railway Commissioners; it is a Provincial charter.

Q.—Is it approved by the Provincial Government? A.—No.

Q.—MR. MITCHELL:—The road is still under construction? A.—Absolutely.

Q.—MR. TWEEDIE:—It is not subject to the railway regulations? A.—I would not go so far as to say that. Any arbitrary tariffs that we have—any individuals that had any complaints to make would have the full privilege of going to the Department of Railways with it.

Q.—You have never submitted any for the approval of the Government? A.—No.

Q.—How long has that road been in operation? A.—To Peace River Crossing?

Q.—Yes. A.—I could not tell you off-hand; it has been some months.

Q.—December, wasn't it, when you commenced to run trains into Peace River Crossing? A.—Just about.

Q.—Now, when was the first portion of that road constructed from McLennan to about mile 27? A.—It was in the season of 1914.

Q.—And did you receive any Government aid in connection with the construction of the first 27 miles? A.—Not when it was built, no.

Q.—Have you received Government aid since? A.—Since the loan was negotiated, yes.

Q.—What aid have you received for the construction of the first 50 miles to Peace River Crossing? A.—We have received 80 per cent. of the actual cost.

Q.—From near McLennan to Peace River Crossing. Now, you prepared all the route maps? A.—Well, I didn't prepare them individually, no.

Q.—Under your supervision as Chief Engineer? A.—Yes.

Q.—You approve of them? A.—Yes.

Q.—You have them filed with the Department? A.—Yes.

Q.—And you filed three route maps in this case, did you not? A.—Yes.

Q.—The first two were filed before the construction was commenced? A.—Yes.

Q.—And the third route map was filed about two months after the road was completed? A.—Yes.

Q.—And is that the usual practice, to have route maps filed after the work has been done? A.—Quite usual.

Q.—That is a general railway practice? A.—If you will give me an opportunity I will explain that to you. The first route map, I made it in my office from the information I had at hand. That information was a Government map which showed the Hart River. The Hart River at that time appeared the logical entrance into the Peace River Crossing but when we ran our surveys there we found that the Government map was entirely wrong.

Q.—MR. MITCHELL:—Was it a Provincial Government map? A.—No, Dominion Government map furnished by the Dominion Land Office. The Hart River was several miles out of position on it. It had never been surveyed. Now the Hart River is a very deep valley and it was only possible to make surveys there in the winter time owing to the fact that the crossing and recrossing of the river made it impossible to get a road in there, and therefore, in the winter of 1913-14 we made our first surveys.

Q.—MR. TWEEDIE:—What did your first survey show? A.—With reference to what?

Q.—The route map. Did you test your second route map on your first surveys? A.—Yes.

Q.—And after you made your first survey you prepared— A.—The second route map.

Q.—You filed it before you commenced construction of the road at all? A.—Yes. Then if you remember we had very very high water in the season of 1914 and about August—I may say prefacing those remarks that I myself had gone up with the Provincial Government engineer, Mr. Douglas, in the winter of 1914, and had looked over that country and I recognized at the time it was a very very serious construction problem. In the season of 1914 we had very high water and I sent R. B. Harkness, Division Engineer, and told him to report to me on the conditions. The report that I got was following out the conclusions that I had originally formed that it was a very difficult piece of railway construction. Following that I got a young chap who had been topographer on the original surveys having regard to the fact that he would have a very intimate knowledge of the conditions—

Q.—That is the original surveys for the Dominion Government or for the company? A.—For the company. He went over that part of the line and his report sent in to me was that in various cases where there had been a cut it was entirely washed away, and that the conditions of the country were practically changed by the high water. In the winter of 1914-15 I sent back the location party to make revisions and we found that on retracing the line that a line of stakes that was supposed to be in a perfectly straight line had in some cases moved three and four feet. All of which indicated that the entire country was in motion and that the problem of maintaining a railroad down there was almost impracticable. I didn't believe from the information I had at hand that you could hold a line there. We tried every possible scheme that we could think of to secure a line in the Hart River Valley itself. We tried both sides of the Hart River and in all cases we ran into unsurmountable difficulties.

Q.—MR. CAMPBELL (Rocky Mountain):—When was that? A.—The Spring of 1915. And finally we hit upon the Smoky River as a feasible and possible route.

Q.—MR. TWEEDIE:—When did you commence your surveys on the Smoky River? A.—I believe last Spring.

Q.—Had you been over the country of the Smoky River or had you had any person over that country for you? A.—Not until that time.

Q.—When did you complete your survey there? A.—Well, we completed them not quickly enough to get out of the contractor's road. The contractor was actually waiting for stakes there while we were still surveying.

Q.—What was your original contract for? A.—You mean to the contractor?

Q.—Yes. A.—For the Smoky River route.

Q.—With whom was that contract made? A.—Timothy & Riley.

Q.—Have you got that contract here? A.—No.

Q.—Have you it in your office? A.—I think so.

Q.—The original contract? A.—I think so.

Q.—Can you let us have that? A.—I think so, yes.

Q.—Did you make any second contract with them? A.—With Timothy & Riley? Not that I am aware of. It was in July I believe we let the contract.

Q.—For the Smoky River? A.—Yes.

Q.—Did you let the contract before you had completed your survey? A.—Oh, well, by that time we had our trial line run and knew we had a feasible line.

Q.—Down the Smoky? A.—Yes.

Q.—Was there any reason why you could not prepare a route map and have it filed? A.—Several reasons.

Q.—Let us have the reasons. A.—It is quite a customary thing on all railroads that on revisions of line—that the route maps are not forthcoming before construction starts and if we had prepared the route map it would have simply meant preparing another route map for the simple reason that we had no land ties taken—the final location plans could not be prepared until such time as land ties were taken. We got into subdivided territory

near Peace River Crossing which requires land ties in all cases and the Provincial Government engineers were cognisant of the fact.

Q.—What do you mean by land ties? A.—Tying on to a quarter section.

Q.—When did you complete that work? A.—As a matter of fact it is not entirely completed yet.

Q.—But the road is all built? A.—The grading is completed into Peace River Crossing.

Q.—And the steel is laid into Peace River? A.—Up to this side of the Hart River.

Q.—Were there any other reasons that you could not prepare a route map? A.—Well, nothing except that it would have been a very superfluous piece of work, and if you want precedents with both Federal or Provincial Government I can quote you untold precedents.

Q.—How far does this depart from the original line at the farthest point? A.—Oh, I would say off-hand over a mile.

Q.—That is mile 27 to Peace River? A.—It is over a mile at practically all points, and I should say seven miles.

Q.—Mr. Douglas said eight, would that be too far? A.—I think not.

Q.—How many bridges would there be in the first route? A.—The Hart River route—I think there were 58.

Q.—And it was to cover the construction of a line which included 58 bridges that you got the loan of two million? A.—No, to cover the construction of the line into Peace River Crossing.

Q.—Any route you might select? A.—I would certainly, as Chief Engineer, not bind myself at any time, under any conditions to locate and construct a line under any route map filed, and no engineer would.

Q.—You certainly were not in a position to say until after the line was complete? A.—To say what?

Q.—What route you were going to take? A.—I was in a position to say what route we would take.

Q.—When were you in a position to state definitely what route you were going to take? A.—I believe in May, 1915.

Q.—MR. MITCHELL:—Subject to minor revisions? A.—At all times.

Q.—MR. TWEEDIE:—When did you commence your survey of the Smoky route? A.—I think in April, 1915.

Q.—How many bridges were on the route which you finally selected? A.—There was a very high steel crossing of the Hart River—135 feet high.

Q.—How long was it? A.—It is about 600 feet I think.

Q.—And the estimated cost of it? A.—I guess it will cost about \$90,000. I am on oath here and that is just the estimated cost.

Q.—Mr. Douglas put it at \$80,000.00? A.—Well, we had to go deeper than we thought for foundations.

Q.—Any other bridges? A.—Oh yes, several.

Q.—How many? A.—I should say approximately a dozen.

Q.—Large bridges or small? A.—There are about three what you would call large bridges, I suppose.

Q.—How long? A.—I could not say off-hand.

Q.—Single spans? A.—No, timber bridges of fairly large dimensions.

Q.—One was given as containing 125,000 feet of lumber? A.—Yes.

Q.—That is large? A.—Yes.

Q.—So you got a route which reduced the bridges from 58 to about 6 or 7? A.—To about 12.

Q.—MR. MITCHELL:—These 58 bridges were all kinds, small and large? A.—Yes, they were all low crossings; we were trying for a low line.

Q.—MR. TWEEDIE:—These others are large and small? A.—Yes.

Q.—Were there any bridges on the first route as large as on the second? A.—No.

Q.—None at all? A.—No.

Q.—Did you ever contract with any person else for the construction of the line? A.—Which portion?

Q.—From mile 27 in? A.—No.

Q.—With Timothy & Riley? A.—That is the only contractor.

Q.—Who else was in with them? A.—Oh well, they hired their various sub-contractors. That was none of our business.

Q.—Who was their contract with? A.—The J. D. McArthur Co.

Q.—That is the Construction Company? A.—Yes.

Q.—And J. D. McArthur is president of the Canada Central Railway Company? A.—I understand that the contract was let to the J. D. McArthur Company.

Q.—J. D. McArthur is president of the Railway Company? A.—Yes.

Q.—There is the J. D. McArthur Construction Company? A.—Yes.

Q.—J. D. McArthur is president of that Construction Company? A.—I don't think he is president of it, no.

Q.—He is controller? A.—Yes.

Q.—And it is really J. D. McArthur, president of the Central Canada Railway Com-

pany letting a contract to himself as being controller of the Construction Company? A.—Yes.

Q.—Have you that contract? A.—I think so.

Q.—Can you produce that here? A.—Yes.

Q.—The J. D. McArthur Construction Company—did they do any actual work? A.—A great deal.

Q.—What work did they do? A.—Laid all the track; put in water service we have.

Q.—What else? A.—They put up what water services we have—they will do all the ballasting. I just sent the Superintendent out this week to arrange for putting a steam shovel in to sliding cuts where I expect to move anywhere from 150 to 250 thousand yards.

Q.—That has been sliding since the road has been constructed? A.—Yes.

Q.—There are sliding cuts all over the maintenance of the Canadian Northern Railway? A.—Yes.

Q.—That is not their work, that is maintenance? A.—No, construction.

Q.—Every time? A.—Until after such time as the railway is taken over by the operating department.

Q.—We have the J. D. McArthur Construction Company laying the track and providing the water service? A.—And doing all the inestimable number of small things and large things that occur in the construction of a railroad.

Q.—All that J. D. McArthur has to do is provided in his contract? A.—Yes.

Q.—That contract calls for certain things? A.—It calls for the completion of the railway.

Q.—It doesn't set out definitely what J. D. McArthur is to do? A.—Very definitely.

Q.—We will have no dispute over that, we will get the contract and look at it. Timothy & Riley's provides very definitely what they are to do? A.—Yes.

Q.—We need not have any argument over that, you will produce both these contracts.

MR. MITCHELL:—Subject to any rights or privileges.

CHAIRMAN:—Mr. Smith will look after that.

MR. TWEEDIE:—We will save time if we have the contracts right on the table.

CHAIRMAN:—Mr. Smith stated that they would be procurable.

Q.—That covers construction from mile 27 to the Crossing? A.—Yes.

Q.—From McLennan to mile 27, who built that? A.—Mostly station men, that is under the J. D. McArthur Company.

Q.—There was a contract let for that to the J. D. McArthur Construction Company? A.—Yes.

Q.—That is the same connection, Canada Central Railway Company, J. D. McArthur, president; J. D. McArthur Construction Company, J. D. McArthur, controller of the company? A.—The same connection. The same as Mackenzie & Mann and the Northern Construction Company on all lines they built in Canada.

Q.—You have that contract between the company and the J. D. McArthur Construction Company? A.—I believe so; it might possibly be in Winnipeg.

Q.—You can produce that? A.—Given sufficient time.

Q.—You could wire down to Winnipeg to-day and have it here the first of the week? A.—I presume so.

Q.—All the station work was contracted with the men who actually did it and the J. D. McArthur Construction Company? A.—Yes.

Q.—Have you figures showing the cost of the work as done by the station men? A.—Yes.

Q.—And you can produce statements to show what money was actually paid out to these station men, can you? A.—I am certainly not going to bring all our files down here.

Q.—You can prepare statements? A.—I can give you an idea if you care what prices we paid.

Q.—Tell us the actual amount of money which was paid to station men, you can look up your books? A.—Yes, I think so. I can show how we lost \$50,000 on our commissary if you want to.

MR. MITCHELL:—How can he produce Timothy & Riley's books?

WITNESS:—You asked me about the first 27 miles. Timothy & Riley have nothing to do with them.

Q.—MR. TWEEDIE:—Do you remember the names of the station men who worked? A.—There was everything from Mike Boozealotski to Abraham Cohen.

Q.—Did Mike Boozealotski work on that line? A.—Well, not specifically.

Q.—No such man as Mike Boozealotski ever worked there? Did Abraham Cohen ever work there?

CHAIRMAN:—He has given suggestive names.

Q.—MR. TWEEDIE:—We want to know. A.—WITNESS:—The work was let over 27 miles, sometimes a man taking 200 yards, sometimes 500 and sometimes half a mile and there were innumerable station men on that work.

Q.—Did they ever take ten miles? A.—I don't think there was anybody on that work took anything like ten miles.

Q.—A great many of the stations are ten miles? A.—A hundred feet.

Q.—You paid the station men so much a yard to remove the earth? A.—Yes.

Q.—And fill in the grade? A.—Yes.

Q.—And you can get us the names of these men, can you? A.—I could with considerable work, yes.

Q.—Did the J. D. McArthur Construction Company supply the men with provisions? A.—Oh, everything.

Q.—If a man wanted clothes or boots he had to buy from them? A.—He didn't have to, he could. He did in most cases.

Q.—There were no general stores? A.—Stores quite handy, yes.

Q.—Along the line of construction? A.—Always—they follow us up very closely.

Q.—Could you show us how much was charged against these men for supplies in connection with their work? A.—Yes.

Q.—All the amounts and the amount of cash that they actually received when they finished? A.—What you are asking me to prepare would entail a great deal of work and time. Each station man's statement entails a great deal of accounting and has cash statements from the little stores we had there; it has engineer's estimates on it.

Q.—You will give us what information you can with regard to them? A.—If you want any specific information about any one of them I will be very glad to get it for you.

Q.—When did you file your plans covering this route? A.—Which route?

Q.—The whole route, 50 miles from McLennan to Peace River. A.—Well, we filed three different routes.

Q.—When did you file your last plans? A.—Very recently.

Q.—Tenth day of March? A.—I expect so, yes. I was away at the time.

Q.—When did you file your profiles covering that? A.—Well, you don't file profiles with the route map.

Q.—I am asking when you did file them? A.—The profile and route map have no connection.

Q.—When did you file the profile? A.—We file the profile when we file the location plans.

Q.—When will you file that? A.—Just as quickly as we can get them completed.

Q.—Is it not customary to file them before that? A.—It is customary to file the location plan, yes.

Q.—Have you filed the location plan? A.—I could not tell you whether we have or not.

Q.—There are plans filed here and profiles on the 10th of March after this committee had commenced its sittings. A.—That is quite possible.

Q.—Have you got the location plan? A.—Yes.

Q.—There were none filed before this covering this work. What is the plan supposed to represent? A.—A location plan?

Q.—Yes. A.—It shows the location of the railway.

Q.—The exact route? A.—Absolutely.

Q.—When did you get your information to prepare the exact route? A.—That comes in from the locating engineer on the ground.

Q.—When? A.—As it is located.

Q.—They don't build railways before they locate them? A.—No.

Q.—The location plan would be prepared before the road was constructed? A.—Except for revisions that would occur.

Q.—About the month of August you completed your location? A.—I think that is correct.

Q.—How about your profiles. What is the object of a profile? A.—To show the surface of the ground with reference to a grade line.

Q.—Practically indicates the work that is to be done? A.—Yes.

Q.—Gives the number of yards in the cut practically? A.—Oh, just estimated.

Q.—And the number of yards in the fill? A.—Estimated.

Q.—When do you get that information? A.—You get your first profiles and maps from the locating parties.

Q.—Before the work is done? A.—Before it is started.

Q.—Now, in this 80 per cent. of the cost of construction, on what figure is that 80 per cent. based? A.—The actual pay quantities.

Q.—As represented by what contract? A.—By the original contract.

Q.—That is by the contract of J. D. McArthur Construction Company? A.—Yes.

Q.—And it is not based on the actual money paid to the men who construct the road? A.—No.

Q.—How were the ties supplied? A.—By the railroad company.

Q.—Did they enter into a contract for the purchase of these ties? A.—No, not for the purchase, for the manufacture, and the railway company pays only actually what the ties cost.

Q.—And all the ties cost the amount which is set out in the progress estimates, did they? A.—As a matter of fact I think more.

Q.—You paid more? A.—No, I think they cost more—the actual handling and re-handling.

Q.—Is the handling of a tie contract and track laying part of the tie value? A.—It would be a part of the cost of ties.

Q.—Suppose you had a carload of ties delivered at a point and you distribute them over two miles, would the distribution be part of the tie value? A.—That would be track laying.

Q.—All the cost of the tie is at the point where it is delivered alongside the track? A.—Oh, no. You have got inspection and insurance. You would charge the loading of ties and in some case re-piling, picking up, loading on to track, picking up scattered ties, a certain amount of lost ties.

Q.—An awful lot of things in the cost of a tie? A.—Yes. Somebody has to pay for that; the money has to be forthcoming.

Q.—The cost of the tie or the cost of construction? A.—That is chargeable to the cost of construction.

Q.—What is chargeable to the cost of construction? A.—All of that.

Q.—When a tie is delivered alongside the track then the cost of the tie ceases and it becomes a question of track laying? A.—Just depends where it is.

Q.—I will give you a concrete case. Supposing—

CHAIRMAN:—I don't think that is evidence. We are not going into suppositions.

Q.—MR. TWEEDIE:—A carload of ties is delivered by a contractor along the grade at one spot? A.—Yes.

Q.—You want to distribute it over the grade for track laying, what is that chargeable to—cost of ties? A.—Where are these ties delivered?

Q.—At the grade, at the Central Canada. A.—If they were delivered at the Central Canada the cost of loading the ties on to the cars would be chargeable to track laying. That would be a matter of distribution. If they were on the E.D. & B.C. where most of them were got you have got to deliver the ties to the separate institution they were used for.

Q.—Handling would be chargeable against the tie itself? A.—Yes.

Q.—You have doctors employed up there to take care of the men, I suppose? A.—Yes.

Q.—How much did the men have to pay the doctor? A.—\$1 a month.

Q.—How often did the doctor visit the men? A.—Whereabout?

Q.—On the construction? A.—We had a doctor at Peace River Crossing and on all complaints he was not delivering the goods so we canned him.

Q.—Did you put a man in his place? A.—Yes.

Q.—Did the successor visit the men? A.—We had no complaints that I am aware of.

Q.—Did he visit the men? A.—I think so.

Q.—How often did he cover the road? A.—Well, I could not tell you off-hand.

Q.—You have no idea? A.—I have no definite idea.

Q.—How far is the steel laid in connection with the A. & G.W.? A.—202 miles.

Q.—Have you constructed any lines to the A. & G.W. during the past year? A.—Yes.

Q.—From what point? A.—From about mile 10 I think.

Q.—In what direction? A.—Easterly.

Q.—To what point? A.—Mile 11.

Q.—Why did you stop at mile 11? A.—It was close to that point there was a timber limit.

Q.—Any logs cut in that timber limit? A.—Yes.

Q.—Who owns the timber limit? A.—J. D. McArthur.

Q.—Are the logs being hauled in now from that timber limit? A.—They will be.

Q.—They are all ready to haul in now? A.—Yes.

Q.—When did you start construction of that 11 miles? A.—September 1915.

Q.—When did you complete it? A.—In the month of December, 1915.

Q.—How many logs are cut on that timber limit? A.—I could not tell you. I would say off-hand probably fifteen or twenty million.

Q.—Of logs are cut there now? A.—That is feet, board measure.

Q.—Any other branch lines constructed off the A. & G. W.? A.—No.

Q.—Any short tracks? A.—But there are branch lines constructed off the main line of the Central Canada to get to the logging spurs which don't appear as railroads. They were built and paid for by the Northwest Lumber Company and we never got 5c. or asked for 5c.

Q.—Now, have any other switches or branches been constructed off the A. & G. W.? A.—No.

Q.—What other timber limits do you tap along the A. & G. W.? A.—This A. & G. W. is the Central Canada.

Q.—The 11 miles is part of the Central Canada? A.—You remember the discussion, it is under the Central Canada charter, yes.

Q.—So that the road applied for an extension of the road under the A. & G. W. charter? A.—Exactly.

Q.—That is the same road? A.—Yes.

Q.—It is now constructed under the name of the Central Canada? A.—Yes.

Q.—You constructed that 11 miles last year? A.—Yes. Without assistance so far.

Q.—What is the area of the timber limits up there? A.—I could not tell you.

Q.—What is the estimated timber? A.—I have nothing to do with the Northwest Lumber Company at all.

Q.—Do you haul timber from any other timber areas up there? A.—We hauled logs from timber limits last year, yes.

Q.—Where? A.—In the vicinity of mile 101, I think.

Q.—Who owned these timber limits? A.—J. D. McArthur.

Q.—Did you haul logs from any other timber limits along that road? A.—No.

Q.—None at all? A.—We have quoted rates to haul logs for other people.

Q.—And they have not started to haul them? A.—No, not yet.

Q.—Has J. D. McArthur any other timber limits up in that country? A.—Not that I know of.

Q.—You said something about the Central Canada, just explain that. A.—Explain what?

Q.—The Central Canada timber limits. A.—I was referring to the timber limits on that 11 miles—and which goes through to the boundary of Saskatchewan. I would like to include in my evidence that when that 11 miles was located I specifically and absolutely gave instructions to the locating engineer that the location of the 11 miles of railway was not in any way to be influenced by the location of the timber limits. If the timber limits were to be tapped by that line the lumber company would have to construct its own branches at its own expense.

Q.—The Central Canada Railway Company constructed the 11 miles, did they not? A.—Yes.

Q.—And did the Northwest Lumber Company construct any? A.—Yes.

Q.—How much? A.—About six miles, I think.

Q.—There are 11 miles into their timber limits? A.—Yes.

Q.—Where did they start? A.—About mile 8.

Q.—On the 11 miles? A.—Yes.

Q.—In which direction does it go? A.—About northerly.

Q.—Who provided the money to construct the 11 miles? A.—J. D. McArthur, personally.

Q.—Can you give me the sections and townships through which that passes? A.—You mean the lumber lines?

Q.—Yes. A.—I believe there were maps made of it. They did it themselves without any assistance or supervision from us in any way.

Q.—What men worked on the construction of that 11 miles? A.—D. F. McArthur Company.

Q.—Were they the company who were working on the track laying of the A. & G. W.? A.—No.

Q.—Not at all? A.—No.

Q.—Was the work of the A. & G. W. being carried on at the same time as the construction of the 11 miles? A.—Yes. D. F. McArthur had the contract with the A. & G. W. and the contract of the 11 miles on the Canada Central was let to him and there is no doubt that as men got through a piece of work on the A. & G. W. he let them a small contract on this 11 miles.

Q.—When did they stop work track-laying on the A. & G. W. last year? A.—About six weeks ago.

Q.—They have been laying track steadily up to that time? A.—Yes.

Q.—Is the grade completed through Fort McMurray? A.—Yes.

Q.—Why did they stop laying the track? A.—Snow.

Q.—More snow this spring and winter? A.—More than we ever had.

Q.—About this six miles, what direction does that go in? A.—I say northerly—I really don't know. We constructed this 11 miles and the Lumber Company put in spurs and I don't know just where they run—they run into their timber limits.

Q.—You are referring now to the six miles which leaves mile 8 on the 11 miles? A.—Yes.

Q.—There is another spur of six miles? A.—No, no.

Q.—I understood from you last year and again this morning there was? A.—No.

Q.—They took another timber limit? A.—That was a lake, everything was brought across to the main line of the A. & G. W.

Q.—There is no track constructed there at all? A.—No.

Q.—Are they all through hauling there? A.—Yes.

Q.—Have they that timber limit all cleaned up? A.—Yes.

Q.—There are no timber limits along the E.D. & B.C. and the Central Canada running from McMurray to Peace River? A.—I don't think there is a single one.

Q.—You have not been hauling any logs? A.—Not a log. J. D. McArthur Company bought a timber limit from the Government last fall on Lesser Slave Lake.

Q.—MR. MITCHELL:—At the time of the construction they didn't own it? A.—No, not until last fall.

Q.—MR. TWEEDIE:—What line is served by that? A.—The Edmonton, Dunvegan and British Columbia.

Q.—How many acres are there there? A.—I could not say at all.

Q.—It is right on the lake and the lake is on the railway? A.—It is on the opposite side of the lake.

Q.—How big is the average timber limit—are they all sizes? A.—Yes.

Q.—They are described as timber berths? A.—Yes.

Q.—On one side of the lake there is the E.D. & B.C. and on the other side are the timber limits of J. D. McArthur? A.—Bought at the request of the Dominion Government. They came and asked him to buy that.

Q.—Who made that request on behalf of the Dominion Government? A.—I don't think I should answer that question. I refuse to answer that question.

Q.—Can you give me the timber berth number? A.—No.

Q.—Can you give me the section or quarter-section? A.—No. If you have map here I will show you where it is. Any Dominion Land Map will show it.

Q.—Is the road all graded into Fort McMurray? A.—Yes.

Q.—Up to what mile? A.—357.

Q.—How near the boundary? A.—411 is the boundary.

Q.—That would be about 54 miles. Is that steel? A.—Steel.

Q.—How about the grade? A.—357.

Q.—Are you going to construct further on? A.—Some time.

Q.—Right up to the boundary? A.—Yes.

Q.—At what mile does the Grande Prairie Branch start? A.—About 353, I think.

Q.—How much of that road is constructed? A.—It is all constructed into Grande Prairie, the steel is within 8 miles of Grande Prairie.

Q.—Who built that road? A.—George Webster.

Q.—Who had the contract from the E. D. & B.C. for the construction of it? A.—The J. D. McArthur Construction Company.

Q.—That is the same construction company we have been referring to? A.—Yes.

Q.—George Webster had the contract from that company? A.—Yes.

Q.—Have you a copy of the contract between J. D. McArthur and George Webster? A.—Yes.

Q.—You will produce that? A.—All right.

Q.—Who is constructing the A. & G. W. now? A.—The J. D. McArthur Construction Company.

Q.—To whom did they let the contract? A.—D. F. McArthur.

Q.—Who is a brother of J. D.? A.—Yes.

Q.—Briefly, J. D. McArthur has taken a contract for the construction of the A. & G. W. of which he is president; for the construction of the E.D. & B.C. of which he is president and of the Canada Central of which he is president, from those companies? A.—Yes.

Q.—And then the J. D. McArthur Construction Company sublets them out after that? A.—Or does it themselves. And understand that in all cases the J. D. McArthur Company does a great deal of the work themselves. They do all the track laying, they do all the ballasting and all work after the grading which is only the beginning of a railroad.

Q.—MR. MITCHELL:—It is correct to say that the J. D. McArthur Company only sublet a portion of the work involved in the contract which they receive from the railway company? A.—Perfectly correct, as is customary in all cases in all roads.

Q.—MR. TURGEON:—Are there any very large railway contract firms in the Province of Alberta at the present time? A.—No, not at the present time.

Q.—Very few in number? A.—Very few. I don't know a real large firm at the present time here.

Q.—MR. TWEEDIE:—These logs which are being hauled in are being hauled in to the Northwest Lumber Company. A.—Yes.

Q.—Who is president of that company? A.—I don't know.

Q.—J. D. McArthur is? A.—I don't know whether he is president or not.

Q.—Don't you know he owns most of the stock? A.—I know he is controller of it. The Northwest Lumber Company pay freight on every pound of stuff hauled over the A. & G. W.

Q.—Didn't the Northwest Lumber Company have millions of feet of lumber hauled in last year before I examined you without paying one dollar of freight? A.—I believe, speaking from memory, they had hauled some.

Q.—Did they not haul it in without having any agreement with the A. & G. W. to pay freight? A.—I told you that the rates at that time were under consideration.

Q.—You told me you hadn't seen J. D. McArthur and hadn't taken it up with him?

A.—Oh, I don't remember the words.

Q.—MR. MITCHELL:—They subsequently cured that by paying the rates? A.—Yes.

Q.—MR. TWEEDIE:—Was it an official of the Dominion Government who asked J. D. McArthur to buy that timber limit? A.—I refuse to answer that question.

Q.—Was it an official? A.—I don't want to make what might appear an insinuation. The man was perfectly justified in the request under the circumstances.

Q.—We would like to know who the man was? A.—I refuse.

Q.—Not his name, his official capacity? A.—If you will allow me I will withdraw that statement.

Q.—Was it the Government that suggested it? A.—I refuse to answer any questions

that have no bearing on the railroad. If I would be permitted to I withdraw that statement I made. I would not mind personally telling you all about it outside the House.

Q.—MR. CAMPBELL (Rocky Mountain):—What is the rate on carload lots? A.—Carload lots? The rates provided by the Board of Railway Commissioners on that portion of the line.

Q.—Can you give me some idea of what these are? A.—43c. to the head of the lakes, per hundred.

Q.—MR. MITCHELL:—Can you state why the location plan and the profile plans were not filed earlier? A question has arisen here as to some delay in connection with filing the location plan and the profiles. A.—They were not ready. As a matter of fact we have been working on these just as fast as it was possible to work to get them ready. We could not get land ties taken and we didn't have the data.

Q.—Would it have been of any particular service to the Government to have had these plans and profiles filed earlier than they were, or did they lack any information by reason of their non-filing? A.—I don't think it would have facilitated the Government. If we had held up the work for plans of that kind we could not possibly have got into Peace River Crossing this year.

Q.—Did this change in the line work to the advantage of the Central Canada Company so far as getting more money from the Government is concerned? A.—It doesn't give us access to a single dollar in any way, I will state further that the question of cost or access to funds from the Government had absolutely no bearing and influenced me in no way in the change of route; it was simply a question of choosing a practical line against one that proved to be impracticable and not feasible.

Q.—And as a matter of fact the change involved the paying out of less money to you? A.—We actually got less money. If J. D. McArthur was making a profit on the quantities he actually lost money by the change of line, decreased his own profits.

Q.—You have already stated to this committee it has been the practice in all railway construction to change the route from time to time and make revisions, and it is only after these changes are made that the detailed plans and profiles can be made out; is that correct? A.—Absolutely, any engineer who does not indulge in the practice of changing lines and routes at any stage of progress is not a good engineer.

Q.—What knowledge did the company have of any new route before this line was completed? A.—At the time the line was implemented we had absolutely no knowledge and no information at hand that would have warranted us saying we were going to change that route. As a matter of fact I might say the Grande Prairie branch is a Federal charter subject to the approval of the Board of Railway Commissioners. The line is built in there and the route is not yet approved entirely. It is only approved for 20 miles.

Q.—MR. TWEEDIE:—Have you filed your plans with the Dominion Government? A.—They are down there now.

Q.—Were they filed before you got an extension? A.—We filed a route map but we changed it.

Q.—Did you file your changes? A.—They are down there now.

Q.—The route is not complete? A.—The track is within 8 miles of Grande Prairie.

Q.—It is not complete? A.—Not entirely.

Q.—Did you file your plans with the Dominion Government? A.—I say they are being filed now, they are in Ottawa.

Q.—They are filed with the Dominion Railway Department at Ottawa? A.—They are down there now for approval, just for approval.

Q.—MR. MITCHELL:—Do I understand that your revised plan and profiles in connection with this route are now in Ottawa? A.—Yes.

Q.—How does that correspond with the course you adopted in connection with the Central Canada? A.—Exactly similar condition.

Q.—We have had evidence here that these location plans and profiles of the Central Canada have only recently been filed after the road is constructed, why are you filing them before in this other case? A.—One reason was we got into sub-divided territory at Peace River Crossing.

Q.—And that delayed it? A.—That has been the cause of delay in the Peace River line.

Q.—Why did you not furnish a revised estimate of the cost? A.—It didn't make the slightest difference. We were getting 80 per cent. of the cost and if we reduced the cost we didn't see it had any bearing on the case.

Q.—MR. TWEEDIE:—Have you any rails on hand? A.—Yes.

Q.—Where? A.—At the yard.

Q.—Do you keep them in the yard all the time? A.—No, they are there for construction purposes; they are there for the completion of all the work we have on hand.

Q.—How many rails have you on hand? A.—You are asking me a very difficult question. I should say we have a hundred some odd miles on hand.

Q.—And you can use these on any system, the E.D. & B.C., the Central Canada and the A. & G. W.? A.—As a matter of fact we were loading from a certain pile; we did not go and say that this rail is E.D. & B.C. and this one A. & G. W.

Q.—They are all piled right there together? A.—Yes, we have not three piles.
Adjourned.

FRANK WHITESIDE,
Chairman.

WEDNESDAY, 22nd MARCH, 1916

Present: Hon. Mr. Mitchell, Stewart, Boyle. Messrs. Whiteside, McColl, McNaughton, McArthur, Leffingwell, Campbell (Ponoka), Turgeon, Tweedie, Hoadley, Kemmis, Campbell (Rocky Mountain), Blow, Crawford.

W. V. NEWSON: (Recalled).

EXAMINED BY MR. TWEEDIE:

Q.—Have you the ledger here? (Ledger produced).

Q.—You told me you had an account for the Central Canada Railway Company in trust, what amount went to the credit of that trust account originally? A.—The total amount that went to the credit of the Central Canada account is \$1,898,860.00.

Q.—Was that one-half the amount received from the sale of the four million dollars of bonds? A.—That is the proceeds.

Q.—One half the proceeds exactly? A.—Yes, that is the proceeds exactly.

Q.—The Government was authorized to borrow four million? A.—Yes.

Q.—And did they borrow four million dollars and issue securities to cover four million dollars of loan? A.—Yes.

Q.—What was the net amount received from that four million dollar loan? A.—\$3,745,269.97.

Q.—What amount was placed to the credit of the Central Canada Railway Company in trust? A.—That is principal and interest?

Q.—Yes. A.—In principal \$1,867,530.

Q.—And in interest? A.—\$7,133.20.

Q.—What amount was placed to the credit of the general revenue of the Province and the Telephone account apart from what was credited to the Central Canada in trust? A.—Well, it would be the difference between this and this, (Showing).

MR. MITCHELL:—I would prefer that the witness gave this from his records. I doubt if he can give the exact amount.

Q.—Have there been any adjustments lately in the Central Canada account since you prepared that statement? A.—Well, there is an adjustment on the way through.

Q.—MR. TWEEDIE:—I just want you to tell me every dollar you have placed to the credit of the Central Canada Railway Company in trust. You have their account before you in the ledger, haven't you? A.—Yes.

Q.—You can tell me how much money went into that account? A.—Yes. The proceeds of the loan would not be exactly equal to the amount placed to the credit of the account because there was a certain amount of accrued interest. The money went into general revenue first and it was there for a short time before it was transferred into this account and in the meantime a small amount of interest accumulated on that sum and, of course, we had to turn that over to the Central Canada. That adjustment is being put through now—a voucher is being put through now paying them that amount of interest.

Q.—What is that amount of interest that is to be paid to them? A.—Well, it would amount to the difference between \$1,898,860 and \$1,874,683.20.

Q.—According to your books what the Canada Central will receive will be \$1,898,860 including accrued interest? A.—That is the total amount turned into the Central Canada including bank interest.

Q.—Now, the bonds were sold at a certain price, weren't they? A.—Yes.

Q.—And the Central Canada would get one-half of the net price?

MR. MITCHELL:—The Central Canada gets the proceeds of the two million dollar bond issue; the balance of the issue was taken up from time to time.

Q.—What was the first sale that was made. How much did they take of the first lot, do you remember? A.—Well, we sold two million dollars—we got the proceeds of two million dollars and we just turned that over to them.

Q.—MR. TWEEDIE:—Now, when was that sale made? A.—About the 27th of May, 1915.

Q.—And at what price was that sale made? A.—Well, the average price for all remittances would be \$93.63.

Q.—Two million dollars of bonds or debentures were sold about the 27th day of May, were they? A.—The total four million dollars.

Q.—Do you know whether or not they sold two million dollars or four millions first? A.—They sold, I think, it was \$3,400,000 on the first option and \$600,000.00.

Q.—When was the \$3,400,000.00 sold? A.—That was sold on or about May 27th, 1915, on an option.

Q.—To Spencer, Trask & Co., New York? A.—Yes, and their associates.

Q.—Have you a copy of the option? You can produce the letter, can you? A.—Well, I think we have it somewhere.

Q.—At what price was the \$3,400,000.00 sold? A.—Well, you asked me for the price of the total issue and I worked that out at \$93.63.

Q.—You sold a portion outright, did you? A.—Well, we realized the proceeds of \$3,400,000.00 on the first option.

Q.—You realized \$3,400,000.00? A.—The proceeds of \$3,400,000.00.

Q.—That was an outright sale? A.—Well, they took their option on that amount of the \$4,000,000.

Q.—At what price did they take it? A.—You asked me for the price, the actual price the Province received?

Q.—I ask you at what price Spencer Trask & Co. bought \$3,400,000.00 of the Province's securities? A.—To get the actual price you have to take a number of things into account, interest and accrued interest at the time. You asked me that question last time and I worked it out so as to get the actual price that the Province would receive including that interest and I have not separated the first \$3,400,000.00 from the last \$600,000.00, but the net price would be \$93.63.

Q.—Did Spencer Trask & Co. agree to take those securities at any fixed price? A.—Well, they took it at a certain fixed price.

Q.—What was that certain fixed price? A.—The letter will show that.

Q.—Will you go and get the letter and let us read it right now? (Witness produces letter).

Q.—You present this letter dated May 1st, 1915, signed Spencer, Trask & Co., William A. Reid & Co. and the Dominion Security Corporation Ltd.? A.—Yes.

Q.—What is that letter? A.—Well, it is the agreement regarding that \$4,000,000.00 loan—regarding the sale; Spencer, Trask & Co.'s understanding.

Q.—“Confirming our various agreements.” Have you those various agreements?

MR. MITCHELL:—No, those are verbal.

Q.—MR. TWEEDIE:—Have you those various agreements? A.—No, that is the only one I have.

Q.—There is no other document on file in connection with this loan? A.—No other agreement, that is the only one.

Q.—Or any other letter?

MR. MITCHELL:—There would be subsequent letters as the amount was paid in.

Q.—MR. TWEEDIE:—You will produce all the correspondence and every document and agreement you have touching this loan? A.—Yes.

Q.—This relates to the \$4,000,000.00? A.—Yes.

Q.—And shows the bonds are to be dated January 1st, 1915? A.—Yes.

Q.—Who receives the interest between the 1st of January, 1915, and the date the money is received by the Province? A.—Well, that is in the agreement—that ought to be in the agreement.

Q.—This agreement was made on May 1st? A.—Yes.

Q.—And the bonds were to be dated January 1st? A.—Yes.

Q.—Spencer, Trask & Co. got four months' interest on \$4,000,000.00 at 5 per cent., did they not, in connection with this transaction? A.—Well, I don't know just how it works out. We got everything according to the agreement.

Q.—Have you paid any interest on those bonds? A.—We paid interest on the bonds from the date of the bonds.

Q.—That is from 1st January, 1915? A.—I think that was the date.

Q.—You paid interest for four months prior to the time the agreement was made?

MR. MITCHELL:—There is no doubt about that. That was the bargain. We wanted the bonds to be dated January 1st; that was the original intention. They made the figuring on the basis that the bonds were to start bearing interest on the 1st of January.

Q.—MR. TURGEON:—As a financial man if you were dealing with bonds that are to be sold after the date of the bond is there any other way to handle it except by making provision for the accrued interest? A.—No.

Q.—MR. TWEEDIE:—What bonds were issued in accordance with this letter, two million or four million? A.—\$3,400,000.00.

Q.—And when were they issued? A.—They were taken up from time to time. They have an option under that.

Q.—When were the bonds executed? When were they signed by the Provincial Treasurer?

MR. MITCHELL:—After this letter.

Q.—MR. TWEEDIE:—When did you sign the bonds? A.—Well, I don't remember the date—it takes a couple of days to sign them.

Q.—Did you sign for \$3,400,000.00 at once? A.—That amount of the option was exercised I think.

Q.—Well, there was two millions of straight sale and two millions of option? A.—Of course, the first two million I guess we sold outright. I had the impression we had the option on the whole thing.

MR. MITCHELL:—There was a two million sale and an option for the balance.

Q.—MR. TWEEDIE:—Did you sign the \$3,400,000.00 at once? A.—I signed for the four million dollars.

Q.—Do you remember the date when you signed? A.—I don't remember the actual date.

Q.—Spencer, Trask & Co. bought outright two million? A.—It appears that way.

Q.—What amount of money did you actually receive of the two millions? A.—There is one lot of two million dollars and we turned the proceeds of that two million dollars right over to the Central Canada because it came in all in one lump. Spencer, Trask & Co. would wire us from time to time: "We wish to take up \$300,000 or \$225,000 more of the bonds on our option." We would figure out how much that ought to be according to this agreement and make sure that amount they were going to give us on a certain number of bonds was equal to what we worked it out.

Q.—Does that work out at? A.—Well, taking into account accrued interest,

Q.—What accrued interest? A.—We got accrued interest for that amount.

Q.—Where did you get that accrued interest from? A.—From Spencer, Trask & Co.

Q.—For what? A.—Well, for the—according to these dates you see, the date of the receipt of the money would be after the date of the bond and they would have to pay us interest for that time.

Q.—From the date they received the bond until you received the money they would pay you interest? A.—Yes.

Q.—At what rate? A.—At the rate of the bond, 5 per cent.

Q.—Up to the date of the sale they would be paying interest at the rate of 5 per cent.? A.—Up to the date of the sale.

Q.—Now then, this is the account as shown in your books of the Central Canada Company? A.—That shows the different accounts.

Q.—What balance does it show to the credit of that trust account? A.—How much? \$1,898,860.00.

Q.—What is the present balance? A.—The present balance is \$1,142,739.51.

Q.—This item of \$1,500.09 interest? A.—That is interest at the rate of 3½ per cent.

Q.—From the bank? A.—Yes, the Union Bank.

Q.—Now, have you any credits of interest received from the company? A.—Well, they turned over the proceeds including the interest.

Q.—You credit them with the interest? A.—And we paid it over to the railway. We received it on May 27th and turned it over on June 9th.

Q.—Now, have you received any interest from the railway company? A.—Yes.

Q.—Where does that show? A.—That would not appear here. The railway company themselves pay that, it does not come out of this account.

Q.—Who do they pay it to? A.—To the Provincial Treasurer.

Q.—Have you any entry to show what interest they paid? A.—No, it should not show there, it comes into the general revenue fund of the Province, because we pay interest on these bonds and they pay it to us.

Q.—What account shows those entries? A.—The public accounts, the general revenue account.

Q.—Will you give me the dates on which they paid the interest? A.—Yes.

Q.—And of this four million dollars half a million went to the Telephone account, did it? A.—Yes.

Q.—And where did the balance go? A.—To general revenue, capital expenditure.

Q.—Of what departments? A.—Chiefly the Public Works Department and Agricultural Department—and some to the Education Department.

Q.—What amounts did you pay to the Canadian Northern Western this year—in 1915? A.—The total?

Q.—Yes, in 1915? A.—Well, that would be \$41,280.82.

Q.—That is May 31st? A.—Yes. October 8th, 1915, \$275,670.18; November 26th, 40,443.18; November 29th, \$73,194.02; December 22nd, \$34,696.00; December 22nd, 265,318.56; December 27th, \$116,640.00.

Q.—Did you receive any monies during 1915? A.—During 1915 we received on May 31st in interest \$41,280.82 and on November 26th \$40,443.18.

Q.—In interest? A.—That is interest.

Q.—Who paid you that interest? A.—The Canadian Bank of Commerce.

Q.—And you paid these payments on progress estimates, did you? A.—Yes, excepting the interest that was paid under other authority.

Q.—Did you pay any money to the Lacombe & Blindman Valley Railway in 1915? A.—Apparently none in 1915.

Q.—Your total payments to the Lacombe & Blindman Valley Railway were \$119,242.44? A.—Yes.

Q.—And the amount placed to the credit of the account? A.—\$264,378.90.

Q.—Including April 17th \$50,000.00 and May 12th, 1914, \$206,659.00? A.—Yes.

Q.—You remember the statement you prepared for us last year, will you just continue that statement down to date? A.—Yes.

Q.—You do that with all the railroads? A.—The amounts received and the amounts paid?

Q.—Have you any securities of the Central Canada hypothecated with you? A.—Well, our department does not have anything to do with that.

MR. MITCHELL:—The Provincial Secretary would have anything of that nature. In connection with the contract between Spencer, Trask & Co. and the Province dated May 1st, I would like to draw attention to a clause that appears there as follows: "If for any reason the bonds should be dated differently than as above allowance for the difference in accrued interest included in the above price shall be adjusted accordingly." So that no matter what the date was we were in a position to adjust it. That is the reason no definite fixed price is mentioned.

W. J. HARMER: (Recalled).

EXAMINED BY MR. TWEEDIE:

Q.—You are the Deputy Minister of Railways and Telephones in this Province? A.—I am.

Q.—How long have you held that position? A.—1911.

Q.—What month? A.—December, I think, the appointment was made.

Q.—Were you in the employ of the Government prior to that? A.—Yes, from May 1st, 1909.

Q.—In what capacity? A.—Assistant Superintendent of Telephones.

Q.—Do you have anything to do with railway matters? A.—Yes.

Q.—What are your duties in connection with railways? A.—No specific duties.

Q.—Well, what do you do? A.—Discuss various matters and consult on various matters.

Q.—Who do you discuss with? A.—Mostly with Mr. Harvey.

Q.—Mr. Harvey is under your direction in regard to railway matters? A.—Yes.

Q.—You say you went into the employ of the Government in May, 1909, as Assistant Superintendent of Telephones. Who was Superintendent then? A.—A. J. Richards.

Q.—When did Mr. Richards leave the service? A.—I think it was in March or April—I think he probably left about the 1st of May, 1913.

Q.—Who was the Minister of Railways & Telephones when you first went into the service? A.—There was no such department.

Q.—When was that created? A.—In December, 1911.

Q.—And you became the first Deputy Minister of Railways & Telephones in the Province? A.—I did.

Q.—Prior to May, 1909, what was your business? A.—Do you want my business from the time I left school?

Q.—Practically. I want to know what your training was to become Deputy Minister of Railways and Telephones? A.—When I left the Institute I went into a telegraph company's office.

Q.—What railway? A.—No railway.

Q.—What company? A.—The Great Northwest Telegraph Co.

Q.—How long did you follow that? A.—I think about four years. At least I came to Fort William in 1891.

MR. STEWART:—I hardly think this is relevant.

CHAIRMAN:—I think the Minister's ground is well taken.

Q.—MR. TWEEDIE:—You became Superintendent of Telephones in May, 1909? A.—Yes.

Q.—For what other telephone companies were you working at similar work before that time? A.—None.

Q.—And from no telephone experience at all you stepped into the position of Superintendent of Telephones in this Province? A.—You say no experience. I have had the same experience you had before you stepped into the bar. I followed that line of work and followed the theory ever since I took up telegraph work.

Q.—You never worked for a telephone company for a day in your life before you became Assistant Superintendent? A.—No, but there is a very great similarity in operating a telephone company and railway express.

Q.—Did you ever do construction work? A.—Never. That is not necessary for a manager of a telephone company any more than it is necessary for Sir Thomas Shaughnessy to work on the track.

Q.—You were a telegraph operator? A.—I was. I also handled all the routine that is followed both in the management, operation and accounting—all the practical end of the work.

Q.—How many men did you ever superintend at one time?

MR. STEWART:—I object to this; these are not proper questions.

CHAIRMAN:—It is not necessary to go back of the date he was employed by the Government.

Q.—MR. TWEEDIE:—How many men have you working in the Telephone Department of this Province? A.—I think 195 male employees in the service.

Q.—Exchange, office and construction work? A.—Exchange, construction, maintenance, accounting, traffic, stores—all the different branches.

Q.—How many female? A.—I could not say, probably 200 or 230, I could not say off-hand.

Q.—You have an official directly under you? A.—Yes.

Q.—Who is he? A.—W. R. Pearce.

Q.—What is his office? A.—General Superintendent.

Q.—How long has he been General Superintendent? A.—Since about 1st January, 1915.

Q.—Was that his position when you came into the service? A.—He started in in a junior position in the plant department. He was plant superintendent at the time.

Q.—Is the nature of his work office work mostly or does it take him out over the Province? A.—Both.

Q.—He has a knowledge of the construction of the different telephone lines? A.—He has.

Q.—Who is superintendent of construction? A.—E. Teets.

Q.—How long has he been Superintendent of Construction? A.—Since Mr. Pearce became General Superintendent. He started in the plant department in connection with the city plant at Calgary.

Q.—He was in the employ prior to Mr. Pearce? A.—He may have been, I could not say.

Q.—When you are going to construct a line, what is your procedure? You first approve of it, do you? A.—We decide how much we can carry out and determine where it can be distributed as proportionately as possible and consistent with the demands of the service.

Q.—Supposing you decided to construct a line from Edmonton to Calgary, what procedure would you follow? A.—After we decided to build the line the engineering department would prepare plans and specifications determining the class of line to be constructed and arrange with the stores department to have the material shipped, and call for tenders for the construction of the line the same as all others.

Q.—Who is your Chief Engineer? A.—W. J. Wylde.

Q.—How long has he been Chief Engineer? A.—Only since the first of this year.

Q.—Who was his predecessor in office? A.—There was no such office.

Q.—Who would do that work? A.—It was done between Mr. Pearce and Mr. Teets.

Q.—Would they provide an estimate of the cost of the line? A.—Yes they would, a rough estimate.

Q.—Would they file the estimate of cost? A.—No, that would only be a matter of working out rough details so as to have an idea—only as a matter of information, that is all.

Q.—Would not he file that estimate of cost? A.—No. As a matter of fact they are only prepared on scratch paper. There may be some records of some details that they prepared. I would have to see Mr. Teets—whether he had any of these.

Q.—Just on memorandum scratch paper? A.—Yes.

Q.—There is no estimate of cost of construction filed with your department as a rule? A.—Not unless for a specific piece of work we wish to get an estimate.

Q.—After the engineer prepares and checks it over what takes place then? A.—We call for the tenders. Tenders are generally called for for all classes of work.

Q.—Do you let the tender for the whole work to any one man? A.—There is no contractor in this Province, or any three contractors that would be able to undertake all the work we have been usually carrying out in any one season in this Province.

Q.—How many contracts do you have to cover all construction on a certain piece of line? A.—One.

Q.—What does that contract include? A.—Includes all the work to be done in that district.

Q.—That would include the installation? A.—Not necessarily, no. We have found from experience that it is more advisable to have our own employees who are responsible for the maintenance.

Q.—Has it been the practice to construct all telephone lines in this Province by contract? A.—Since 1913.

Q.—Including 1913? A.—Including 1913.

Q.—Do you ever let contracts for the supply of any particular portion of material? A.—We call for that by tender just the same.

Q.—And then after you get the material you call for tenders to construct the line which includes all the work? A.—The practical work in connection with the construction, the erection of poles and stringing of wires.

Q.—It includes the cross arms? A.—The whole line equipment.

Q.—Has any work been done other than by contract since 1913? A.—Yes, we have one small installation, scattered work by floating gangs.

Q.—How many miles have you constructed without contract since 1913? A.—I could not say. We did very little last year; in 1914 we did considerable.

Q.—Your records will show that? A.—Yes.

Q.—How many contracts have you let since 1913? A.—I could not say off-hand.

Q.—Can you give me a list of all the contractors who worked? A.—Yes. I think they were all submitted to you on request.

Q.—There were contracts for material submitted? A.—I don't think contracts for material, contracts for construction.

Q.—I don't remember contracts for construction. A.—Oh yes, they were all submitted last year.

Q.—Prior to 1913 how was the work carried on? A.—We did it by day labour.

Q.—By the Government? A.—Yes.

Q.—Have you found any difference in the cost of construction? A.—From the nature of the telephone business there are no portions of the telephone line similar, but it is conceded by all concerned that we are doing better work and cheaper work than we were ever able to do before.

Q.—That is by contract? A.—Yes.

Q.—How many miles have you built under contract since 1913? A.—I could not say off-hand. Our records will show each year the amount of construction done. That includes all exchange work as well as rural and long distance.

Q.—From whom do you buy your material mostly, instruments and wire and material of that kind? A.—We use mostly the Northern Electric standard instrument. The idea is to try and standardize the equipment as much as possible. It is objectionable to have to carry accessories for various classes of instruments.

Q.—Where do you buy most of your poles? A.—We call for tenders in the North. In the South we use cedar and I think probably Lindsay Brothers have been the successful tenderers in each case.

Q.—Did Mr. Richards ever supply the poles? A.—No.

Q.—Did you ever contract with him? A.—No.

Q.—You had some contracts with him for material, hadn't you? A.—No, never.

Q.—Did you ever buy poles in the United States? A.—Oh, yes. There are practically no telegraph pole contractors in Canada. The Lindsay people are B.C. as well as a Washington concern. The majority of the poles have come from B.C.

Q.—What percentage from the United States? A.—I think we stipulated in the contract not over a certain number to come from the United States. They could not supply as many poles as we require from the Canadian side.

Q.—How many poles have you on hand now? A.—I think I gave a reply the other day. I think 69,592.

Q.—You bought a great many poles in 1913, didn't you? A.—Yes.

Q.—You have some of them on hand still? A.—Some on hand yet.

Q.—I want the details of what poles you have on hand, where they are and how many originally.

Q.—MR. CRAWFORD:—Most of the poles used south of Olds are cedar? A.—Yes.

Q.—The balance of the poles are tamarack? A.—Which poles?

Q.—Outside the cedar? A.—Oh yes. In certain localities where it has been advisable we have got out jackpine but that is only in very exceptional cases.

Q.—Most of the tamarack poles would be the smaller poles? A.—Naturally because they get too heavy to handle.

Q.—How does the life of a tamarack pole compare with that of the cedar? A.—The Alberta Government have not been in the business long enough to determine that from actual observation. We only go by the Dominion Government Telegraph line which we understand from Mr. Macdonald in 28 years only about one-third of the poles have had to be replaced.

Q.—Are you speaking of tamarack poles? A.—Tamarack poles in what is considered its native soil has about as long a life, if not longer than the cedar pole in a lighter soil.

Q.—MR. TWEEDIE:—What is the life of the cedar pole? A.—It all depends on the district. We have struck certain points in the South where a quarter of a mile stretch of poles rotted off in about six years. The C.P.R. ran across the same proposition.

Q.—What is the average life? A.—You can't state the average life of a cedar pole because none of them come into existence at the same time. I would say in this country considering climate and everything 20 years at least would be a very conservative life of a pole. There will be exceptions.

Q.—Of a cedar pole? A.—Any pole.

Q.—20 years for the life of one of these small tamarack poles? A.—Yes.

Q.—MR. CRAWFORD:—You have not replaced yet since you commenced construction of the system which goes back to what year? A.—1907.

Q.—You have not replaced any of the poles which have rotted off? A.—I don't believe we have replaced any poles outside of those that were set by the Bell people. I think possible some of these were damaged by fire—but not carrying out any real replacement.

Q.—How many miles of Bell Telephone did you have in the Province when the Province took it over? A.—I have not the details. I think they had a line from here to Calgary, Calgary to High River, Macleod and Lethbridge, Lethbridge and Cardston and I think the

ad a branch line from Lacombe to Bentley. I think that constituted the Bell system as far as long distance is concerned.

Q.—You have not replaced these poles? A.—There may have been a few replaced but no general replacement.

Q.—MR. TWEEDIE:—What other superintendents have you had under you? A.—Well, our organization has been changed on two or three occasions. Their duties have been divided and we have had a territorial organization and we are now into what is considered the standard organization of all telephone companies on the North American continent on anything like our size. There have been two superintendents covering maintenance and operation work.

Q.—One for maintenance and one for operation? A.—No, one in Calgary covering the South and one in Edmonton covering the North.

Q.—Who is your superintendent in Calgary? A.—The first of the year he becomes Commercial Manager in Calgary and the plant comes under the direct supervision of the Plant Superintendent at Edmonton.

Q.—Who is your Commercial Manager? A.—W. B. Ferguson.

Q.—Who is the plant manager here? A.—There is not such a title. The plant superintendent of construction and superintendent of maintenance and plant men come under Mr. Teets.

Q.—You have nothing to do with Edmonton? A.—No, not the city.

Q.—MR. CRAWFORD:—Who held that position prior to Mr. Teets? A.—J. H. Burgen.

Q.—Is he in the employ of the Government? A.—No.

Q.—How long since he left their employ? A.—Officially he left the employ on December 31st, 1914.

Q.—Did he have something to do with the construction of the first lines put in? He is in the employ of the Government as a matter of fact when the Bell Telephone system is first taken over? A.—I think so, yes.

Q.—What had he to do with the construction of the telephone system since that time? What was the nature of his work? A.—He was supposed to have the supervision and construction of the line.

Q.—Did he leave the department? A.—He did.

Q.—Of his own accord? A.—I think so.

Q.—How was he appointed? A.—I don't know.

Q.—MR. TWEEDIE:—Was he appointed under you? A.—No, he was working when I came here.

Q.—Why did Mr. Richards leave? A.—I don't care to discuss the personal side of this thing. I will not say anything derogatory or otherwise towards any man who has been at any time employed by this Government. Mr. Richards he left the service—it was mostly sentiment in connection with personal affairs that he thought probably he would be better to go into construction work and I advised him strongly against it. I don't care to discuss the personal side.

Q.—He left the employ of the service to take up construction work? A.—Yes.

Q.—For what purpose? A.—If he could get any contract work—

Q.—Did he ever work for the Government after he left the service? A.—Never.

Q.—Did any man by the name of Richards work for the Government? A.—Yes, S. Richards.

Q.—Was he ever employed by the Government? A.—He has been employed until he resigned a short time ago to go as instructor in rifle practice.

Q.—In what capacity was he employed? A.—He was plant chief at Edmonton for some time and removed to Calgary.

Q.—Did he ever have any contracts with the Government? A.—No.

Q.—Did any Richards have any contracts with the Government? A.—Other than S. Richards.

Q.—A. J. did? A.—As superintendent.

Q.—Did he ever supply material? A.—Never.

Q.—Did any Richards ever supply material to the Government? A.—Not to my personal knowledge.

Q.—You would likely know? A.—I would like to know also.

Q.—Did any man by the name of Richards ever have a contract with this Government to supply any material for the construction of telephones? A.—To my personal knowledge.

Q.—A. J. Richards had a contract for the construction of lines in this Province? A.—Yes.

Q.—What lines? A.—I could not say the lines. We divide our work up each year into groups and the contractors tender on the various groups. We lay the groups out adjacent to each other making the shortest haul in moving from one point to another. The records show what construction work and the progress estimates the payments made to him.

Q.—You say he left for sentimental reasons you don't care to discuss? A.—No, I don't say that. He left for reasons best known to himself.

Q.—What did he leave? A.—He left everything.

Q.—What position? A.—He was Superintendent at the time.

Q.—Of construction? A.—Superintendent of Telephones.

Q.—Was that after he had had construction contracts with the Government? A.—No.

Q.—He left the Government first? A.—Yes.

Q.—What year was he contracting with the Government? A.—He contracted for the last three years, 1913-14-15.

Q.—Is he still tendering? A.—He is now with one of the regiments.

Q.—How long was he superintendent of construction? A.—He was never superintendent of construction.

Q.—What was his employment prior to the time of going into construction work? A.—Superintendent of the Telephone Department.

Q.—What would that involve? A.—General management.

Q.—Commercial end or construction end? A.—Well, at that time there was not any specific organization. The organization was not along well-defined telephonic lines.

Q.—Now, Mr. Grierson was with the Government for how long? A.—I don't know when he was employed, he was here when I came here.

Q.—He remained until when? A.—December 31st, 1914.

Q.—Superintendent of construction? A.—That was his title.

Q.—Would he be all over the Province and have a knowledge of the work on the different lines? A.—His duties would take him all over.

Q.—Would it be his duty to lay out the different routes? A.—Yes.

Q.—He would go over and inspect. You say you don't know how he was appointed? A.—No.

Q.—As a matter of fact was he appointed by Order-in-Council? A.—He may have been.

Q.—Was his work satisfactory? A.—I don't know that it was.

Q.—Up to what time has he received his salary? A.—December 31st, 1914.

Q.—Do you say he left the Government of his own accord at that time? A.—He evidently did because he didn't do any service for some time previous.

Q.—Did he ever demand any salary? A.—Oh, yes.

Q.—Have you any correspondence passing between your department and Mr. Grierson? A.—No, I have received several personal letters from Mr. Grierson.

Q.—Did you reply to them? A.—No, none of them. I discussed the matter with him thoroughly several months after he had ceased to render any service.

Q.—MR. CRAWFORD:—Was he discharged? A.—No, he left. I hope you don't think we would continue to pay him indefinitely.

Q.—Did he tender his resignation? A.—No. He just ceased to draw salary and ceased to work.

Q.—Do you remember a man named Fisher in the employment? A.—Yes.

Q.—His office in the buildings here? A.—Yes.

Q.—Do you remember a man named Clausen? A.—Yes, road development inspector.

Q.—Have you a man by the name of Borrow? A.—Yes.

Q.—What position was he in? A.—The same as Clausen.

Q.—Have you a man by the name of Macleod? A.—Yes.

Q.—What position? A.—The same.

Q.—Have you a man by the name of Kelly? A.—Yes.

Q.—What position is he in? A.—He is not now in the employ.

Q.—What position was he in? A.—Clerk in the railway branch.

Q.—You say these men were in the rural development department? A.—Yes.

Q.—What were their duties? A.—To study rural conditions throughout the rural parts of the Province with the intention of determining the prospects from a telephone point of view.

Q.—They went out to drum up business? A.—No, they didn't drum up business. If a petition or application is received it takes a lot of detailed work in order to find out the actual conditions. The information contained in these petitions is not sufficient to determine either the class of country or the class of people or anything else appertaining to it. Lots of them sign because they are owners of property, others are only renters and only intend to be there a short time. These men go into all matters that will be of any assistance to the department in a systematic and proper way.

Q.—MR. TWEEDIE:—And they submit a written report of their investigation to you? A.—Their information is contained upon maps.

Q.—Do you put on the map whether a man is a tenant or owner of the property? A.—Yes, they have all kinds of cyphers. If a man doesn't want a phone, N.W. not wanted N.H. not home; V.H. vacant house. That is all on the maps.

Q.—What do they put for description of the country through which it passes? A.—Nothing as a general rule. If there is any special obstruction such as bad sloughs or anything of that nature that is placed on the map.

Q.—It is all on the maps in hieroglyphics? A.—You could not put all the information in long-hand.

Q.—Could I go into the department and pick up that man's report and understand it ?
A.—No, I don't think you could.

Q.—Anybody else ? A.—A telephone man. A man accustomed to rural development work would know, you probably wouldn't know.

Q.—Have you any written reports from any of these men ? A.—Oh, I think there are some in some specific cases.

Q.—Is that your practice ? A.—If any special report is necessary they make a written report.

Q.—Is that your practice ? A.—Yes.

Q.—Not to have a written report ? A.—Except in special cases on some special local conditions.

Q.—Your engineer uses scrap paper ? A.—No, I didn't say that.

Q.—You said scratch paper ? A.—They prepare temporary memorandums that are of no use to anybody after.

Adjourned.

FRANK WHITESIDE,
Chairman

EDMONTON, 28th MARCH, 1916

EXAMINATION OF W. J. HARMER (continued):

By MR. EWING:

Q.—With reference to the Pole Department of the Government, that is in your charge, is it ? A.—All branches.

Q.—What system do you employ with reference to the purchase of poles ? A.—We generally call for tenders for our general supplies. Between times if you require poles in any particular locality where you can get them out in the locality we generally ask for quantities and set the price we will pay in that locality.

Q.—You say when you are getting your general supply—when do you get your general supply ? A.—We generally make them out in the winter months and call for them before spring.

Q.—In what way do you call for tenders ? A.—In the usual way, by advertising in the newspapers.

Q.—What do you mean by the usual way ? A.—Advertising in the newspapers.

Q.—In what newspapers do you usually advertise ? A.—I could not say. I think you will find by the file they are well advertised.

Q.—I don't mean the particular newspapers, I mean so far as locality is concerned. Papers in what place ? A.—Wherever we are likely to get poles. For instance I think we advertise in the Entwistle and Edson paper, and we advertise probably in Wetaskiwin.

Q.—I am speaking of your general supply. The supply that you get annually. Do you advertise in the United States at all. A.—No.

Q.—You get quite a number of tenders in every case. I am speaking of the general supply. Do you get tenders from the United States ? A.—Well, I would not say. From the United States ?

Q.—Yes. A.—Why, yes, we have received tenders from the United States.

Q.—Can you tell us who those tenders come from ? A.—Why, I think the Western Pole Company—Lumber and Pole Company, B. J. Carney Company, Lindsay Brothers Company—they are also a Canadian Company, the National Pole Co.

Q.—How many tenders have you got from the National Pole Company ? A.—I think two.

Q.—In what years were they got ? A.—I think 1912 and 1913.

Q.—You have those tenders ? A.—I think so. I may say that I don't think we ever in my recollection called for tenders for these. We advised Pole Dealers that we know.

Q.—Advised them as to what ? A.—As to our requirements.

Q.—Which is in effect calling for tenders although you don't advertise ? A.—Yes.

Q.—What has been your practice when the tenders come in with reference to the acceptance of those tenders ? A.—Our action ?

Q.—Yes, what practice do you follow with reference to the acceptance of tenders ? A.—We generally discuss them with the engineer or the general superintendent, or the plant superintendent. We have them in and go over the tenders, and decide on which is the most favourable to the Government.

Q.—You get some tenders by wire ? A.—We get some by wire.

Q.—Do you get many by wire ? A.—No, I don't think so.

Q.—I am speaking now of the general practice. You may get a tender by wire. Do you open the sealed tenders at a fixed period ? A.—Yes, there is always a time set.

Q.—You open them all together ? A.—Yes.

Q.—What has been your practice with reference to the acceptance or non-acceptance of the lowest tender ? A.—I don't think we ever refused the lowest tender.

Q.—That is you never departed from the rule that the lowest tender was accepted ?

A.—Are you speaking now of all poles, or of those particular tenders that you referred to?

THE CHAIRMAN:—The general policy is what he is asking.

Q.—MR. EWING:—I am speaking of the tenders you call for for your general supply of poles? A.—I don't think we ever accepted anything but the lowest tender on poles.

Q.—What period of the year is your tender usually accepted? A.—I think January and February. It varies just according to what position we are in with our progress estimates to determine the number we will want.

Q.—As to the way you occasionally purchase poles for local supply, why do you do that?

A.—It is more advantageous to the Department in the majority of cases.

Q.—In what way? A.—Saving of freight charges on long haulage and distribution of poles.

Q.—What is your practice with regard to the purchase of poles locally? A.—How do you mean? In the outlying districts to be supplied in the locality in which they are furnished.

Q.—I am speaking now of the purchase of poles in the Province and near where they are to be used? A.—If they are to be furnished in the locality in which we wish to use them we generally get quantities from those in the locality in a position to furnish poles, and if they are at a reasonable rate conforming with the general price we pay for poles of a like nature throughout the Province, we award to the party who is in a position to get out the poles.

Q.—You make arrangements with particular persons for the supply of poles at a particular price? A.—Yes, in certain specific cases.

Q.—Do you ever depart from that rule? A.—I could not say. There might be some exceptions, I could not say off-hand.

Q.—I want to know whether or not you ever purchase poles without first ascertaining the price and completing your bargain? A.—We have purchased poles in several instances where we have set the price ourselves.

Q.—And the vendor accepts it? A.—Yes. In other cases we have sent men out to purchase poles at the most reasonable price he could, but not exceeding a maximum price. (Kitscoty file produced).

Q.—Will you look at this file? You purchased there 85 poles from J. D. Baker, did you not? A.—This is an account from him anyway.

Q.—Do you always have a contract in writing before you purchase poles, or is the contract to purchase always reduced to writing? A.—Not always. We just make a purchase at a price as given.

Q.—Who has authority to purchase poles verbally? A.—That is a pretty difficult question to answer.

Q.—Has anybody? A.—If we require poles, and we are short of a few in a district, or want a few in a district, if the man who was in charge of the works got in touch with the general superintendent, and he determined it was absolutely necessary to purchase poles, he would advise him to purchase them.

Q.—How would he give those instructions? A.—I suppose he would tell him to get what poles were required.

Q.—Do you mean to say he would do it by telephone? A.—He might.

Q.—You would have no record of that at all. Is that done pretty often? A.—I don't think that it is. I think it would be an exceptional case.

Q.—Here is a letter from P. R. Williams, addressed to the Telephone Superintendent of Alberta. I will read it into the record:

"J. D. Baker and myself got out Government telephone poles last winter. We delivered and peeled 85 poles. We got our contract verbally from G. Phillips at Kitscoty. I have gone to Kitscoty several times to see about it and got no satisfaction about them. Please let me know what will be done about it, and how soon. They are all good poles and we were to get \$1.50 per pole. Please answer at once as we need the money badly."

Q.—Who is Mr. J. D. Baker? The date of the letter is July 21, 1913? A.—I never heard tell of him.

Q.—Who is Mr. G. Phillips? A.—I think he is a merchant or something in Kitscoty. I don't know whether he is a merchant or what he is, but his residence is in Kitscoty.

Q.—Has he any connection with your Department? A.—None whatever.

Q.—What authority has he to purchase poles from Baker and Williams? A.—At the time we were figuring on doing some work in that locality, Kitscoty desired telephone connection with Lea Park. They said if we didn't have the poles to ship in, they could get them out much cheaper in that locality, sufficient poles to complete a line from Kitscoty to Lea Park at a very much more reasonable rate than we could buy them and ship them, and distribute them along the line. I had a personal conversation with a Mr. Phillips—I cannot tell you the other man's name—I think he was the local Bank Manager at Kitscoty. They were very much interested in getting the North country linked up with their little town, and they said they could get out all the poles they wanted in the winter time, and distribute them. I think you will find a file in connection with that matter writing to him advising him to secure the services of people to get out poles in that locality, and distribute them along the route. The route was laid down for them, and telling the price at a maximum

of \$1.50 on a 25-ft. pole, and for each man to turn in an account for the number of poles delivered, so that payment might be made directly to the individual.

Q.—In fact you did authorize Mr. Phillips to get out these poles? A.—No—authorized Mr. Phillips to get out a sufficient number of poles; to secure the services of local people, and we would pay each man for the number of poles he got out.

Q.—He had authority to enter into arrangements for the purchase of poles required by your Department from various individuals in that country? A.—Yes.

Q.—The price was \$1.50 a pole? Was that the usual price? A.—That would be a very reasonable price for poles laid down in that locality. The way we base our average price; we take Edmonton as a distributing centre. We take the pole at a flat rate at Edmonton. We take the contract price and add to that the freight rate to Edmonton, and that will determine the minimum cost of the poles to get a pole up here, and to ship it out to Kitscoty, the probabilities are it will cost you \$2.50.

Q.—You think there is another file in connection with this? A.—I think, possibly, there seems to be.

Q.—Will you get that? A.—Yes.

Q.—Will you get it down. (Instructions sent).

Q.—MR. CRAWFORD:—Is all your correspondence in connection with your poles put in this cabinet here? A.—I think so, unless there is an odd letter. I think you will find they are all there. I know there was a plan prepared showing the proposed route of that line from Kitscoty to Lea Park.

Q.—MR. EWING:—You purchased some telephone poles from H. A. Allsopp, didn't you? A.—I couldn't say.

Q.—Just look over that file and tell me. That will refresh your memory—at about the same time. A.—This is at Onoway.

Q.—At Onoway, yes. You don't recall the transaction, do you? A.—No, I don't.

Q.—What was the price you paid for the Allsopp poles? A.—Here is two 25 ft. poles at \$1.40. 8–20 ft. poles at \$1.05.

Q.—What kind of poles were the Kitscoty poles? A.—25-ft. tamarack poles. Here is Allsopp again—59–25 ft. poles at \$1.40 delivered at Onoway: 160–25 ft. poles at \$1.40: 100–20 ft. poles at \$1.05.

Q.—How did you make the arrangement with Allsopp as to the purchase of poles? A.—I could not say. Evidently that has been done by the plant superintendent.

Q.—Is it now true that a great many of your poles are purchased under verbal instructions and perhaps by letter? A.—In a few, not a good many.

Q.—Is it not true that practically all the poles that you purchased for your local supply are purchased either by yourself, or by your superintendents, merely through verbal arrangement? A.—There are a few, yes, purchased that way.

Q.—Is it not true that practically all of them are? A.—Practically all of them?

Q.—Practically all of the poles that you buy locally are bought in that way? A.—In the locality in which they are to be used.

Q.—And they are bought under verbal arrangement between your superintendent and the proposed vendor? A.—The great majority of them that are to be used in the locality in which they are gotten out.

Q.—You mentioned about fixing a price. Will you just explain that again? Take a 35-ft. pole as a standard pole. How do you arrive at a price which you would pay as say, Onoway? A.—We call for tenders.

Q.—You don't call for tenders? A.—These prices are based at what our tender price was in the majority of cases. I think you will find they are much under our tender price.

Q.—What was your average price for poles that came in under your general tender? A.—Basing it on Edmonton delivery?

Q.—Edmonton delivery? A.—\$1.67 or \$1.68.

Q.—That is F.O.B. Edmonton, is it? A.—That is F.O.B. Edmonton.

Q.—If you were buying poles in the neighborhood of Onoway for Onoway construction they would be necessarily considerably less? A.—Not necessarily.

Q.—Would they in fact be less? A.—We would endeavour to get them for less.

Q.—What fixes the price at Onoway? A.—We would not pay any more there than we can get them for in a locality close by and ship them in. We set the maximum price.

Q.—Will you explain to us why you pay \$1.50 at Kitscoty and \$1.40 at Onoway for same poles? A.—You pay the price that you get them for in each locality. We might buy a pole in some localities for \$2.00, and it would be cheaper to buy them at that, than buy them elsewhere and ship them in. Take Kitscoty, if we buy them in Edmonton at \$1.68 and take them to Kitscoty and distribute them along the line it would probably cost us \$2.50. That would show that \$1.50 in that district was a reasonable price.

Q.—As between different people who are willing to sell poles at Kitscoty, how do you fix the price? You would not base it on Edmonton delivery? A.—We get the best price any way.

Q.—Take the Kitscoty case. What efforts did you make to get the best price? A.—We set the maximum price we would pay.

Q.—How did you fix that maximum of \$1.50 at Kitscoty? A.—That is what a pole, the average pole is worth.

Q.—At Kitscoty? A.—Yes.

Q.—HON. CHAS. STEWART:—As a matter of fact, if you shipped all poles into Kitscoty you could not ship them for that? A.—No, I just explained that.

Q.—MR. EWING:—Do you know what efforts Mr. Phillips made to get the best price obtainable? A.—No, I don't.

Q.—Your procedure was simply this: You went to Phillips— A.—No, Phillips and a deputation came up from Kitscoty, interested in that locality.

Q.—And you authorized them to purchase poles or to enter into arrangements with other people to purchase poles for your Department at a price not exceeding \$1.50? A.—Yes.

Q.—And you cannot say how you arrived at that? A.—No. That was the maximum price in that locality or any locality in Alberta. If we get them at that price we get pretty cheap poles—that is, delivered on the ground.

Q.—You got them at Onoway for \$1.40. How do you explain that? A.—I presume that is what they get them out in that District for. They are willing to get them out for that. Every locality has its price. In some localities they get them out at \$1.10, and those would be dearer to us than if we paid \$1.40 in other localities.

Q.—By reason of the quality? A.—By reason of the freight rates and where you are going to distribute them.

Q.—Do you know who made the arrangement with Allsopp? A.—I don't know.

Q.—Allsopp had no authority from your Department to purchase poles from anybody else? A.—I don't know.

Q.—Did you ever give authority to other people to buy poles for you? A.—We have, just similar to the Phillips case. We have given instructions to get poles from people in the locality so as to give people in the locality the benefit.

Q.—MR. CRAWFORD:—Have you ever had a case where these poles were gotten out for less money than the maximum price which you set? A.—We don't set a maximum price, we set a price at which we can get them in the locality for.

Q.—Take this case of Phillips. You set a maximum price of \$1.50? A.—Yes, that was considered a fair price.

Q.—You are not in a position to say whether Phillips could have got these for less money or not if he had called for tenders? You don't know whether he called for tenders or not? A.—He would not call for tenders. What he did was to make the best arrangement with the local people.

Q.—Have you ever had an instance where they were got for less than the maximum price? A.—I could not say. I think probably there were some. Roberg, a man we made similar arrangements with between Rife and Durlingville.

Q.—MR. EWING:—Who is John McKercher at Dusseldorf? A.—I think he got out some poles for us in that locality. I think he worked under the same arrangement as Phillips and Roberg.

Q.—He had authority to enter into arrangements for the purchase of poles, had he? A.—I think so, yes. If I recollect rightly. That is a good while ago, and I cannot recall the particulars but I think he did.

Q.—There is a letter from yourself dated March 13, 1913? A.—Yes.

Q.—Does that date recall anything to your mind? A.—March 13th?

Q.—Not the particular date, but the particular time? A.—No, not particularly.

Q.—There was an election going on at that time, was there not? A.—I do not think so, the election was in April.

Q.—An election is going on for some time before the actual polling day? A.—I do not think an Election had been announced at that date.

Q.—Do you know what date the Election was announced? A.—I do not.

Q.—John McKercher, he was Returning Officer in that District, was he not? A.—In what district?

Q.—Clearwater? A.—Yes, I believe he was.

Q.—This is the John McKercher who was authorized under the arrangement to purchase poles? A.—I think so, but I may disabuse your mind that he was out. He was not Returning Officer at that time, and I don't know that he was ever thought of as such. I think at this time he had been recommended by the Public Works Department as being the road man there, and knowing the District well. I had been informed he had been a Public Works man in that district, and knew the district.

Q.—Do you know what price you paid McKercher for poles? A.—We paid McKercher nothing unless it was for the inspection of the poles after they were gotten out. The file will show all the details of the arrangement.

Q.—Can you tell with whom he made the arrangement with to purchase poles? A.—I cannot. I presume various individuals up there.

Q.—Did you in fact pay McKercher anything for inspecting these poles? A.—The file will show. I can not say personally.

Q.—If the file does not show that McKercher was paid any money, then he was not paid any money, is that true? A.—I think so.

Q.—Would it be true? A.—It is possible, I do not think there was, but it is just possible there might be a voucher put through that was not attached to this file. I hardly think it.

We could easily ascertain. I do not believe personally there was ever any compensation given to McKercher. He did it for the good of the community evidently. (Read a letter). This gives the details of where the line is to be constructed, and where the poles are to be delivered.

Q.—He would not get anything? A.—I don't think he was paid anything.

Q.—And he was doing this for the good of the community in that District? A.—Yes, they were all very anxious to get it up there.

Q.—Take the poles that are purchased on tender through your general contract, what arrangement do you make for the distribution? A.—For the shipping?

Q.—For their distribution? A.—Distribute them to the various points where we are going to use them.

Q.—Yes. A.—The Construction Department make up the estimates of the amount of construction to be carried out in each locality, and then shipping instructions are issued accordingly.

Q.—Who was head of your construction department in 1912? A.—I think, Mr. Pearce.

Q.—And 1913? A.—Yes.

Q.—And in 1914 and 1915? A.—No, in May, 1914, he was appointed General Superintendent, and Mr. Teets then became head of the Construction.

Q.—Mr. Teets from 1914 was the Construction Foreman? He would be the Construction Foreman who would arrange for the distribution of the poles? A.—They generally make out the requirements in the various localities, and issue instructions to the Stores.

Q.—As a practical man in telephone construction you know that it is easy to arrive at the exact amount of poles required for any given amount of construction? A.—As a construction man, I know it is not.

Q.—Why is it not? A.—The amount of work carried out in each locality varies greatly even from the time you start your construction until it is completed there are changes take place in every locality. I don't believe there was a piece of work we ever started yet that we finished according to the original plan.

Q.—When you are building a line from one point to another point the amount of poles required can be figured with reasonable certainty? A.—Fairly well unless it is decided to utilize another route, and then the amount of poles varies considerably as there may be a very great number of additional poles required for guying purposes, stubs and so on.

Q.—The number of poles to the mile is standard? A.—It is standard, but while the standard specification calls for a number of poles approximately, it is frequently necessary to use a greater number of poles.

Q.—Why? A.—On account of the nature of the country and the nature of the line. If it was a very crooked trail probably every other pole might be required to be stayed.

Q.—Do you use the same pole that you use for construction purposes for bracing? A.—If you have a smaller pole there you would. He could generally cut them down.

Q.—I suppose your Superintendent knows the route to be followed? A.—Generally.

Q.—Your poles are distributed by your Superintendent. He keeps a record of all the poles that are distributed, does he not? A.—Yes.

Q.—So that at any one time your Superintendent can tell just where all the poles in the Province are. His records will show all the poles in the Province and where they are? A.—Yes, our records should show that.

Q.—The poles are shipped to a point and unloaded, are they? Who gives the instructions for unloading? A.—This is arranged from the Construction Department.

Q.—Those poles arriving at a station cannot be unloaded without an order from the Superintendent of Construction? A.—Oh, yes, they could.

Q.—Are they? A.—I think in a great many cases they are. The local plant man would be advised by the local agent of the railway company, or at the plant to expect a certain number of cars there, and arrange for the unloading.

Q.—As a matter of fact your Department has paid considerable large sums for demurrage? A.—I do not think any case ever came to my particular notice.

Q.—Do you remember a man named William H. Hallett writing you from Edgerton? A.—I don't recollect it.

Q.—Let me read you his letter. It is addressed to Burke. Who is Mr. Burke? A.—He used to be in the Rural Branch.

Q.—Is he there now? A.—He is Wire Chief at the Edmonton Pole Office.

Q.—Would he have authority to instruct the unloading of poles at different points? A.—He might arrange it.

Q.—The date of this letter is April 14th, 1913. How many people would have authority to give instructions for the unloading of poles? A.—That is questionable. Anybody who is interested in the Department and saw poles, and knew that demurrage might run up, would get in touch with some official of the Department or he might get in touch with the local plant chief down there, or with the local superintendent at Calgary or with the office here, whoever he thought was the proper official to get in touch with.

Q.—Would your Inspectors too have that authority? A.—The Inspectors were instructed to do that in order to save demurrage.

Q.—Here is the letter:—

"There is here at our Depot, Edgerton, 2 carloads of telephone poles shipped by the Government, about 300 poles. The Conservatives are telling that these two cars will be shipped away from here immediately after Election. If satisfactory to you, please wire me to have them unloaded, but if you don't wish them unloaded at present, please state in message that you are writing. We have quite a fight on our hands here, and Grits are anxious to nip the Conservatives' yarns in the bud."

That is signed by William H. Hallett. Did you follow that up with a letter? A.—That is to Mr. Burke, I don't recollect having seen it before.

Q.—Just examine the file. A.—There you are. That is to save demurrage.

Q.—The reply reads: "William H. Hallett, Edgerton. Kindly unload both cars of poles at Edgerton and advise me. —W. R. Pearce, Plant Superintendent." Do you know whether any private message was sent at that time. You notice he requests you to state that if you don't want them to be unloaded, to please state in the message that you are writing. A.—Any message that was sent would be on there.

Q.—At least Mr. Burke sent a letter "confirming my telegram of even date, kindly arrange to unload 2 cars." Can you tell me where those poles were used? A.—I presume they were used on the Wainwright-Chauvin line. That is in that District. They were shipped in for that purpose and I presume they were used for that.

Q.—Do you know if they were used in 1913? A.—I don't think the line was constructed until 1914.

Q.—You shipped in your poles and got them unloaded hastily in 1913, to save demurrage, and you didn't use them until 1914?

HON. C. R. MITCHELL:—I suppose they should have left them on the cars until 1914.

Q.—MR. EWING:—That is true, is it? A.—Yes.

Q.—Why were they shipped in in 1913? A.—We intended to build that line.

Q.—You intended to build in April, 1913. What caused you to change your mind? A.—All their construction programme of 1913 was changed owing to financial difficulties.

Q.—When did your financial difficulties become apparent to you? A.—In the first instance we were not able to carry out as large a programme as was originally estimated we would owing to labor difficulties. There were not sufficient men to be had.

Q.—In the Spring of 1913 you thought you would be able to carry out an elaborate programme? A.—Our requirements were based on the preliminary estimates of the Department as to the amount of construction necessary and required.

Q.—You gathered from all sources—

Q.—HON. C. R. MITCHELL:—When did you gather that information? A.—In the Fall of 1912.

Q.—MR. EWING:—And in the Spring of 1913 you had come to the conclusion that a very elaborate programme of telephone construction could be carried out in 1913? A.—The latter part of 1912 and the early part of 1913.

Q.—When did it become apparent to you that could not be carried out? A.—It became apparent to us about May or June. We started our construction programme and getting in touch with people who were available for building telephone lines, and we found the labor market was not sufficient to carry out as elaborate a programme as we had contemplated, and in the latter part of 1913 after we had awarded our contracts we found we had to curtail the contracts we had awarded.

Q.—You could not foresee that? A.—Not very well.

Q.—The only thing you could foresee was in the Spring of 1913, an elaborate programme could be carried out in 1913? A.—We based our estimates upon the preliminary studies made of the demands for service.

Q.—I have no doubt you made a study of the situation at that time? A.—I did not make the study.

Q.—The study was made for you? A.—Yes.

Q.—You assume no responsibility for that. Take the Onoway line for which you purchased from Allsopp all the poles mentioned in the Allsopp file. Were those poles used during 1913? A.—I could not say.

Q.—Were any lines constructed out around Onoway in 1913? A.—1914.

Q.—Then the Allsopp poles were not used in 1913? A.—No, they were used in 1914, I presume.

Q.—The poles you purchased through Phillips at Kitscoty, were those used in 1913? A.—No, they have not been used yet. There was only a small quantity got out and not sufficient to undertake any portion of the construction of that line.

Q.—Where are those poles now? A.—They are piled in a place where they were originally piled, I presume. There was only a limited number got out.

Q.—When were they paid for by your Department? A.—I don't know. The records will show. I think you have the file.

Q.—I suppose they are getting more valuable all the time? A.—They are not depreciating. This voucher was passed on August 8th, 1913. They were inspected by George Lee our Pole Inspector on August 6th, 1913. He returned from making an inspection of them, and the voucher was issued on August 8th.

Q.—In pursuance of this programme which you had contemplated entering into, how

many poles did you purchase in the Spring of 1913 approximately? A.—In the North country?

Q.—All poles? A.—I could not say off-hand. I think about 150,000.

Q.—How many poles did you use in construction in 1913? A.—I can't say that.

Q.—About how many? A.—I would say probably about forty or fifty thousand.

Q.—You say considerably less than half of the poles you purchased. You used in 1913 less than one-half of the poles you purchased in 1913. All the 100,000 poles you purchased in 1913, did you distribute them? A.—I think the majority were all shipped to about a couple of hundred different points.

Q.—In 1914 were all the poles that were purchased in 1913 used in construction? A.—No.

Q.—What percentage of poles purchased in 1913 are not used yet? A.—I could not say just the proportion of 1913. We have in the neighborhood of 47,000 poles on hand at the present time. There were 57,000 used last year, and 47,000 on hand now. But that is misleading unless you specify the various quantities of poles, and the various sizes that we have, and the points at which they are distributed. I may say that the 17,000 12-ft. poles are only used for the construction of private run-offs on private property. There is about the same quantity, probably 18,000, 25-ft. poles, a class of poles we use on rural line construction, and 30,000 35 and 40 ft. poles that are used on heavy rural line construction, long distance line construction and exchange construction, and they are distributed over about 200 different points in the Province, consisting in the main of just fag ends of shipments left over after construction was finished.

Q.—Have you ever had any difficulty with poles that are placed either on a siding or unloaded on station yards through any additional cost to you? A.—Difficulties, what do you mean?

Q.—Once poles are landed at a station and unloaded they are no additional cost until transported and used. A.—Sometimes they are. If they were unloaded by plant men or independent men hired to do that work they might be just thrown off on the right of way, and they might be an interference with teams coming into elevators and so on, and the railway company might request us to move them.

Q.—Apart from transportation there would be no charges in connection with them? A.—I think some times they have been piled on private spur property, and they have asked us to pay ground rent.

Q.—CHAIRMAN:—Any expense in addition to fire guarding? A.—We have expense for fire guards to some of our poles.

Q.—MR. EWING:—What expense have you paid for fire guarding? A.—I could not say.

Q.—Have you ever paid anything? A.—I think we have. The arrangements were made by the Plant Department.

Q.—How much have you paid? A.—I could not say.

Q.—Will you find out? A.—Yes.

Q.—Have you ever paid anybody for watching these poles? A.—I think so.

Q.—Why do you pay men for watching poles? A.—I think there was considered a strong probability of there being—or there were bush fires up in the locality along the new branch of the C.N.R. to Peace River, where a contract was got out for poles for us, and I think we both had a fire guard and employed a watchman for some time to guard the poles.

Q.—Do you know how much you paid this man for watching the poles? A.—I don't. I think at the time it was suggested if I remember right, we would get a man for a dollar a day. I thought myself \$2.00 would have been reasonable.

Q.—Was it a dollar a day do you know? A.—Mr. Pearce says it was. I could not say positively, I thought it was two dollars myself.

Q.—He says it was for watching poles. That is what it was for, was it? A.—That is what it was paid for evidently. That is what he was employed to do.

Q.—This was in October, 1913. It was in the year 1913 he was employed? A.—September and October, I guess. This is September.

Q.—Were these poles used at any time during 1913 for construction? A.—I don't think so, I could not say.

Q.—You don't know whether they were used in 1914, do you? A.—I think they were used in 1914.

Q.—Are you sure about that? A.—No, I would not be positive.

MR. PEARCE:—Some of them are still there.

Q.—MR. EWING:—You don't know that from your own information? A.—We did a certain amount of construction out that way.

Q.—Were there fire guards in 1914? A.—I think that subsequent to this they plowed fire guards and we didn't consider it necessary—that it was too expensive to employ a guard.

Q.—Did you ever lose any poles by fire? A.—I think it possible we may have lost a few here and there.

Q.—Have you any record in your Department of having lost any poles by fire? A.—We lost 50 poles by fire at Bullockville. Mr. Pearce informs me that the Grand Trunk Pacific section men were fire guardians and burnt our poles.

Q.—Can you tell me how many poles there were fire-guarded by Mr. James Gourlay?

A.—The record will show how many poles there were there.

Q.—He was paid two months at least: there are two vouchers, one for \$60.00 and the other for \$44.00? A.—One is for October, 22 days, and 30 days in September.

Q.—How many poles were there, do you know? A.—10,000, in the neighborhood of 10,000 poles.

Q.—Do you know Mr. Gourlay personally? A.—Never saw him.

Q.—Do you know Mr. James Grierson? A.—I do.

Q.—He was connected with the telephone department in Alberta since its inception, I believe? A.—So I believe.

Q.—Do you know when he commenced his duties? A.—I do not.

Q.—When did you first know that he was connected with the Department? A.—Oh! I heard that he had gone with the Alberta Government Telephone Department about the time he went.

Q.—This was before you became connected with it? A.—Yes, I had known him personally for over 24 years.

Q.—When did you become connected with the Telephone Department? A.—May 1st, 1909.

Q.—Grierson was with the Telephone Department then? A.—Yes.

Q.—In what capacity? A.—He was termed Superintendent of Rural and Long Distance line construction.

Q.—Who looked after the town and city construction? A.—Mr. McNish.

Q.—Was that the only capacity in which Mr. Grierson was ever employed by your Department? A.—I think so.

Q.—How long did he continue in that capacity? A.—Until the time he quit.

Q.—When did he quit? A.—That is just an uncertain date.

Q.—Why is it uncertain? A.—He ceased to render any service to this Department some time in 1914—the latter part of 1914—no, I think the latter part of 1913.

Q.—What do you mean by saying he ceased to render service to the Department? A.—To take any active interest or do any active work.

Q.—He ceased to take any active interest or do any active work in connection with the Department in 1913? A.—It was supposed he took charge and looked after getting out supplies to the foremen, and keeping a general supervision over the work that was being done by the different contractors.

Q.—And he did that up to when? A.—I could not say that he ever really did it.

Q.—Who was his next immediate superior? A.—A. J. Richards.

Q.—And who was Richards' next superior? A.—In 1913?

Q.—Yes? A.—Myself.

Q.—Has Mr. Grierson done any work for your Department since 1913? A.—I do not think so.

Q.—How was Grierson appointed? A.—I don't know.

Q.—He has not been dismissed from your Department, has he? A.—He ceased to be paid as he ceased to render any service.

Q.—When did he cease to be paid? A.—At the end of December, 1914.

Q.—That is he was paid to December, 1914, but rendered no service? A.—No active service.

Q.—From some time in 1913? A.—From the latter part of 1913.

Q.—And he was paid up to the end of December, 1914? A.—Yes.

Q.—You say he rendered no active service. What inactive service did he render? A.—I do not think he rendered any.

Q.—That is he rendered no service at all: active or inactive? A.—Not that I know of.

Q.—Why was he paid. Can you give me any explanation of why he was paid during the year 1914? A.—He was still supposed to be connected with the Department and his services were available at all times.

Q.—Is he the only man that you know of who renders no service, active or inactive, and yet gets paid? A.—He is the only one, and we ceased to pay them. We have no dead-wood. There was no tangible service.

Q.—Did he advise you. Did you consult him? A.—No.

Q.—Then the Province according to your statement is out the amount of Grierson's salary for a year and a half or some time around that, for all of 1914 and a portion of 1913. What led to the change at the end of 1914. He was still available for service at the end of 1914? A.—He was of no service to us.

Q.—He was available for service? A.—He was of no service.

Q.—Can you give any reason why in December, 1914, and not in December, 1913, he ceased to be paid? A.—He could have been of service to us possibly, if he had followed the proper line of thought, and adapted himself to conditions that had changed, which he did not do.

Q.—That is if he had adapted himself to the methods of your Department he could have been of service to you? A.—I think so.

HON. C. R. MITCHELL:—Perhaps the word "System" would be better understood.

Q.—MR. EWING:—What particular system in your Department was it that Grierson

objected to? A.—I do not know. He never criticized and never objected. He just showed by his general demeanor that he would not follow any line of up-to-date methods we were instituting to put the Department on a sound business basis from a telephone point of view.

Q.—What were your methods that he apparently took exception to? A.—We were endeavoring so far as the human material was available to organize our Department along the plans adopted by all telephone companies at the present time. We attempted to get things down to more of a routine; to have the line of policy more definitely fixed, not to have any overlapping.

HON. CHAS. STEWART:—I objected to this the other day. I am not objecting to information, but the mere fact that an employee of the office of any particular department happens to leave the service or be discharged unless there is some charge of wrong doing, or some question in which there is money in connection with it, whereby the Province has suffered, I cannot see why it becomes a question of enquiry. I would hate to be questioned in this Committee about my action in dismissing certain men and reducing their salaries. I have many good reasons for doing these things and if it is a question of policy, blame the Government. So far I have been waiting for some explanation of what I consider rather an unwarranted questioning in connection with this particular individual. This man is an old servant of the Government, and naturally the Department were anxious to have him conform with the new system. There was a whole year in which undoubtedly every facility was given him.

MR. EWING:—If you will permit me to get the evidence. I do not think there is any question about the relevancy of this evidence. Here is an old employee of the Government who admittedly for over a year gave no service directly or indirectly of any kind whatsoever, although he continued on the pay list.

HON. CHAS. STEWART:—There is no doubt that there were Heads who would render service.

MR. HARMER:—Heads who would see the utter ridiculousness of his attitude.

MR. EWING:—I am merely getting the facts.

HON. CHAS. STEWART:—If it is merely a question of taking down the facts in connection with the history of Grierson's dismissal or resignation from this Department, it seems to me, I can not say that it is a question of enquiry for this particular Committee. I am not objecting.

MR. EWING:—I do not know what your attitude is.

HON. CHAS. STEWART:—Supposing you undertook to do that in my Department about men let out in the same way, I would object.

THE CHAIRMAN:—I suppose Mr. Ewing is attempting to establish that Grierson was paid irregularly after he ceased to render any service to the Department.

HON. CHAS. STEWART:—I am free to say that was not the beginning; that was not what the Committee had in mind at the start.

THE CHAIRMAN:—From Mr. Ewing's questions this morning I would take it that he is trying to establish that this payment has been irregular. If that is the point I think he is in order.

HON. CHAS. STEWART:—All right. I think that is in order.

Q.—MR. EWING:—When did you embark upon the new policy to which Mr. Grierson refused to conform? A.—In 1912 we started in to try and get this Department down to an actual telephonic working basis, to conform with the standards and methods adopted by all up-to-date telephone companies at the present time, and Mr. Grierson never conformed.

Q.—To your new methods? A.—No. Practically speaking he could not adapt himself.

Q.—And you let him run on for over a year and a half. What occurred in December, 1914, to make a change at that particular time? A.—We decided we had given him every opportunity and every facility for seeing the utter ridiculousness of his attitude in connection with the standard organization we had inaugurated, and following that we thought we could not carry him any longer. That was all. If you want to know the details.

Q.—CHAIRMAN:—I think you have gone quite sufficiently into it. A.—It was discussed and discussed with Mr. Grierson personally in my office. After several months of waiting he called to see me, and on my suggestion through Mr. Frost. He had been talking with Mr. Frost and making a confidant of him, and making it appear that he had been given a rotten deal. I always thought it was the Department had been getting the rotten deal.

Q.—MR. EWING:—Had he been a younger man in the service you would not have carried him as you did? A.—Absolutely no. He had been connected with the Department for years and years, and if he had only adapted himself to the conditions as they existed he would have been of some service.

Q.—Do you feel yet that you were justified in dismissing him? A.—That is getting into personal matters. Generally speaking he was in charge of the various gangs doing the work. He was a man who didn't have any conception of keeping essential records or any intelligent reports. He is not a man of that kind. He is just an intelligent foreman. There is nobody in the Department more sorry than myself personally regarding the attitude he assumed but I could not do anything else.

Q.—The result was he was not dismissed, you simply ceased to pay him? A.—He was in my office, and I explained we would pay him until the end of December, and after that we could not afford to carry him any longer.

HON. C. R. MITCHELL:—That is a polite dismissal.

Q.—MR. EWING:—That is the only polite dismissal or dismissal of any kind that took place? A.—That was all.

Q.—Going back to the question of demurrage, can you give me any approximate idea of what your Department paid in connection with demurrage on telephone poles? A.—I could not say.

Q.—Could you give me an approximate idea? A.—I could not say. Those are details that are handled by the clerks in the Department. It might be a case where we did not have men to handle them at the time, or it might be that we did not receive proper notice from the railway company. The only way you could get that information would be to get it from the freight bills.

Q.—There is a freight bill for poles taken out to St. Albert. There is demurrage on nearly every car? A.—Some railway agents are more attentive to regulations than others, also a lot depends on the railway company. It might be a particular time of the year. If they are hard pressed for cars they will insist on demurrage being collected, and at other times when they have a large number of cars they are not so insistent.

Q.—Don't you make arrangements to unload the cars when you make arrangements to ship them? A.—Not always.

Q.—Could you make up a statement of the amount paid by your Department for demurrage since 1912? A.—I suppose we could. They would have to go over every freight bill for those years. I think the usual practice is that the demurrage is included in the freight bill.

Q.—As a matter of fact demurrage is paid very frequently? A.—I don't think so. I think it very infrequent. That is a very exceptional case.

Q.—Do you know other cases in which demurrage was paid? A.—I don't know any specific cases. There have been no doubt and always will be. The same as private individuals pay demurrage.

Q.—The amount of demurrage on the cars shipped to St. Albert was \$63.00. Correct me if I am wrong. A.—\$7.00 a car on 9 cars. The bill shows the original claim was for \$14.00 a car and we had it cut down to \$7.00. The party with whom arrangements were made for the loading of these poles at mileage 14, we asked them, we didn't understand why this demurrage should be charged, and kindly advise us how long the cars were in the siding before being billed out; and here is the reply giving the details: Pulled in Thursday night, spotted Friday. Saturday loading. Finished, Wednesday. Car Numbers phoned to you. Here is one from our Pole Inspector: I went into St. Albert, in regard to demurrage on 9 cars loaded with poles, and from conversation with Mr. Blackstock, trainmaster, I found that they supplied foreign cars for loading, and those were the only conditions on which Mr. Blackstock would supply the cars for loading. The Department was willing to pay for 4 days' demurrage. Mr. Blackstock informed me that these were not the conditions on which the cars were supplied, also that it was up to the Department to pay one week's demurrage at least. Here is a letter to the Mackenzie-Mann people saying, you have billed us on November 12th for just twice what is shown on our statement. How do you arrive at your figures? Taking your figures the price amounts to \$2.00 a day, which seems to us to be excessive.

Q.—Can you tell how many poles were in that shipment? A.—Nine cars. It doesn't give us the number of poles on each car here. There would probably be in there about 1100 poles.

MR. PEARCE:—They average 140 poles to the car. That would be 1260 poles.

Q.—MR. EWING:—It adds 5c per pole to the price of your poles? A.—All these expenses are incidental to anybody's business.

Q.—At Mundare for example, you had to pay demurrage, and your Plant Chief says that this demurrage was caused through the carelessness of the Plant Inspector. I suppose that would be correct if Mr. Richards says so. A.—Does he say it definitely, or apparently?

Q.—He says the demurrage was caused through the carelessness of the Plant Inspector? A.—Employees will fall down occasionally, I suppose, the same as your employees or anybody else's.

Q.—We are dealing with yours just now. A.—Yes, but I am just saying they are only human. He says here I spoke to him over the phone regarding this, and explained to him that another occurrence of similar nature meant dismissal.

Q.—Who is the Plant Superintendent at Edmonton? A.—Mr. Pearce was at that time. This letter is dated 20th May, 1913, and is as follows:—

"Replying to yours of the 13th inst. you say that this demurrage was caused through carelessness on the part of the Plant Inspector. I may say that this Plant Inspector was in Mundare on the 1st inst. and saw these poles. He neglected to call this office and it was the fifth of the month before he could get back down to Mundare. I spoke to him over the phone regarding this, and explained to him that another occurrence of a similar nature meant dismissal."

This letter is addressed to the Plant Superintendent and is signed by J. S. Richards,

Plant Chief.

Q.—Who was the Plant Inspector? A.—I don't know. They change frequently. There are 45 or 50 of them.

Q.—MR. HOADLEY:—Have you bought any new poles or contracted for any? A.—Since when?

Q.—During the last three months? A.—No.

Q.—For immediate delivery or delivery in the immediate future? A.—No.

Q.—When you selected those odd 200 places to have the poles you bought in 1913 delivered to, what was your object? A.—They were selected by a study of the petitions received from the various communities, and where it was likely we would carry out work.

Q.—Not for storage purposes? A.—We might have shipped large quantities into such places as Calgary, Edmonton, Macleod and Camrose where it was considered advantageous for distribution.

Q.—The point I want to get at is this: Where they were in fairly small quantities to small places, the object in doing that would be to use them there? A.—Ch! generally, yes.

Q.—HON. C. R. MITCHELL:—In 1913 our loan for telephone purposes was not sold until the 1st November of that year, and our financial resources during the whole of 1913 were very much more limited than we had anticipated they would be.

MR. EWING:—I object to that as not being evidence on the cross-examination.

HON. C. R. MITCHELL:—I am not giving it as evidence but as an explanation.

The Committee adjourned.

FRANK WHITESIDE,
Chairman.

MEETING RESUMED THURSDAY, MARCH 30TH, AT 11.22 A.M.

The Honorable Mr. Turgeon presiding, with the following members of the committee present:

The Honorable Messrs. Tweedie, Mitchell, Stewart, Michener, McNaughton, Moffat, McArthur, Tobin, Dr. Blow, Kemmis, Hoadley, Gariepy, Dr. Campbell, S. E. Campbell.

MR. NEWSON, Deputy Provincial Treasurer, recalled:

MR. TWEEDIE:—

Q.—You have prepared a statement of the various Railway Accounts? A.—Yes, sir.

Q.—Is that a copy? (Points to Exhibit 1. Balances up to and including March 31st, 1916). A.—Yes, this shows the sums paid.

Q.—These sums here go to— A.—March 31st, 1916.

Q.—You have a balance on hand of now \$7,349,795.68? A.—Yes, sir, that's on March 31st, 1916. We put it in that way because there will not be any payments to-morrow.

Q.—Now, on the Central Canada Railway were any bonds sold? A.—Any bonds of the Central Canada Railway?

Q.—Yes. A.—Nothing that I know of except our own bonds.

Q.—This item of \$1,110,630.62 represents the balance from what? A.—This represents the Central Canada Railway's account, money turned over from the proceeds, two million.

Q.—This balance of the last two million from the Province to the Central Canada Railway Company? A.—Yes.

Q.—Have you any bonds of the Central Canada Railway Company? A.—Not that I know of,—I have none,—there are none in the Treasury Department.

Q.—Now, have you a statement of the Alberta & Great Waterways Railway Company that you prepared last year for the Committee—it was a detailed statement showing receipts and disbursements? A.—This is exactly the same.

Q.—No, no, this is aggregate amounts. A.—This is a copy of one we gave you last year. Here is another I prepared, perhaps you would like it in that shape. It shows the bank balance beginning in the year 1915 to the end of the year and showing amounts spent. This is the first one you asked me for—the one you asked me for last year and this is the only one I can find.

Q.—You prepared last year copies of the Ledger Accounts of each Railway showing the amounts received and amounts paid out. A.—This shows that.

Q.—But not in detail; take for example the Great Waterways Account: in your ledger you show various sums received and date received and various amounts paid out and the dates paid out. You prepared this last year and that's what I would like to have prepared this year.

THE CHAIRMAN, THE HON. MR. TURGEON:—Would not the payments show that?

THE WITNESS:—That's quite easily done.

Q.—MR. TWEEDIE:—Will you prepare that from the ledger of each railway account? A.—Yes.

Q.—You may leave these two with us to-day. (Exhibit 1 already mentioned and Exhibit 2, Bank balances of various accounts on certain dates therein mentioned). And while you are having this struck off can you please have extra copies made so we will not have to have the stenographer do it. That will be all now, Mr. Newson.

MR. HARVEY, Secretary to the Premier, recalled.

MR. TWEEDIE:—

Q.—You have Progress Sheets of Plans and Profiles of the Great Waterways Railway?

A.—I didn't bring them.

Q.—You have the Progress Estimates? A.—Yes, and the Vouchers.

Q.—Let us look at them, please. (Does so. Vouchers in question are not turned in as Exhibits). Now, what period does this estimate and voucher cover? A.—That's Voucher No. 1 on December 22, 1913, the last Voucher is dated March 28th, 1916.

Q.—Will you show me the first Voucher? For the year 1915? A.—That's Voucher January 25th, 1915.

Q.—Have you the Progress Estimates covering these? A.—Yes. (Produces them). Estimate No. 7 in the book.

Q.—Who wrote that in the book? A.—I think that was filled out on this form by Mr. Douglas.

Q.—Where is the original estimate which was filled out by the Railway Company? A.—When we started this book last year we took all the Railway estimates under construction and copied them on this form,—it is an exact copy of that put in by the company.

Q.—On that form were they put in by the Company? A.—No, January 20th, that was before we got this standard form made out?

Q.—What does that estimate show? A.—It shows a total of \$1,821,738.20 approximately spent on work according to this estimate.

Q.—What quantities are included in that,—everything up to date? A.—I could not say off-hand, I should say that would practically cover the expenditures along that line up to this date.

Q.—What is your system of keeping estimates? The last estimates include the amounts from the previous items? A.—Yes.

Q.—And you deduct from that total amounts which have been previously paid? A.—Yes.

Q.—That's the system you follow with all railways? A.—Yes, all of them.

Q.—Do you ever get any detailed statement of work which was done from the time when an estimate has been filed and up until the next is filed other than just by addition and subtraction? A.—That shows in one column of this estimate. This form shows the amount of work done since the last estimate, the amount of the previous estimate and the total to date at the unit price and total cost.

Q.—You have nothing to do with going out and checking these amounts? A.—No, sir.

Q.—Who does that? A.—Mr. Jones and Mr. Douglas.

Q.—Then your second estimate in 1915? A.—Dated February 20th, No. 8.

Q.—What amount does that show to have been paid then,—the total payment at that date? A.—\$1,886,280.00.

Q.—What was the amount of that particular estimate? A.—\$77,880.00.

Q.—Your third estimate, 1915? A.—Dated March 27th, No. 9.

Q.—What was the amount? A.—\$515,460.00.

Q.—Making a total of—? A.—\$2,401,740.00.

Q.—Your fourth estimate? A.—Date April 27th, 1915, No. 10. Amount of the payment is \$38,280.00, or a total of \$2,440,020.00.

Q.—The fifth, 1915? A.—May 27th, No. 11.

Q.—The amount? A.—\$179,520.00, total \$2,619,540.00.

Q.—How many more had you for that year? A.—I think there was one every month, I am not sure,—yes, one every month.

Q.—Just pick out the vouchers,—this will save time. A.—The last one I gave you was May 27th?

Q.—Yes. A.—July 5th, July 27th, August 24th, Sept. 23rd, October 28th, November 28th and December 28th.

Q.—That's all, all for that year? A.—Yes, 1915.

Q.—Any for 1916? A.—In 1916 in February and March.

Q.—You know nothing about the actual work done? A.—No, sir.

Q.—Have you any bonds hypothecated with your department of the Central Canada Railway Company? A.—No.

Q.—Any of the Edmonton Dunvegan and British Columbia Railway? A.—No.

Q.—You don't hold any for any purpose whatever of either of these railroads? A.—The bond you refer to is incorporated in the mortgage with the Central Alberta Railway Company.

Q.—No, I don't refer to that. A.—You are referring to the bond under the Act?

Q.—No, no. Have you no bonds or debentures? None that have been hypothecated, in your care or control? A.—No, not of any railroad.

RALPH DOUGLAS, Engineer in the Railway Department of the Province of Alberta, recalled:—

MR. TWEEDIE:

Q.—You are under oath? A.—Yes, sir.

Q.—Now, in connection with the construction of the Alberta Great Waterways Railway up to what mile is that road completed? A.—The last report I had Mile 202, that is as far as the steel is laid, the grade is right into Fort McMurray.

Q.—When were you out there on the road last? A.—Not since just before Christmas, that is all over, have seen parts of it.

Q.—How far along were you at Christmas? A.—At the end of the steel before Christmas.

Q.—What is the farthest point the steel has covered since? A.—I could not say off-hand, I have not been there, that far.

Q.—MR. TWEEDIE to MR. HARVEY:—You have the original estimates in your office? A.—These are the originals.

Q.—No, these are copies, I understand. A.—They are copies up to a certain date until we could get a form made up, now we supply them with this form.

Q.—Who supplies these? A.—The Railway Company.

Q.—When did they commence to file these? A.—MR. DOUGLAS:—This form?

Q.—Yes. A.—July 23rd, 1915, previous to that they were put in this other form and copied into this book.

Q.—Turn up the last estimate that was filed. A.—This is the one. (Shows him in book).

Q.—What date is that? A.—Estimate is March 9th, 1916.

Q.—What amount of money was paid out on that date? A.—\$34,320.00.

Q.—When was the estimate before that? A.—The estimate was on January 31st, 1916.

Q.—How much? A.—\$202,620.00.

Q.—The estimate before that? A.—December 23rd, 1915.

Q.—What was the amount? A.—\$178,860.00.

Q.—Now what day were you over that road last? A.—The last inspection I made was in December.

Q.—What time? A.—I do not recall the day,—in the beginning of the month.

Q.—Would the day be the first week in December? A.—I cannot say exactly.

Q.—When was your estimate prior to the 23rd of December? A.—What was that?

Q.—What was the date of the estimate filed prior to the 23rd day of December? A.—November 17th.

Q.—You were out there early in December? A.—Yes.

Q.—What time before that? A.—I cannot say exactly.

Q.—Well, off-hand. A.—I could not say.

Q.—What is your opinion? A.—I was over both the Waterways and Dunvegan during that inspection.

Q.—When did you make your last visit prior to December? A.—I cannot say.

Q.—Have you any idea? A.—I could find out.

Q.—MR. MITCHELL:—Have you a diary? A.—Yes, last year's diary.

Q.—MR. TWEEDIE:—Do not you keep a definite diary to show exactly what days you spend out there? A.—No, sometimes I might mark it, sometimes I do not.

Q.—Have you any idea, Mr. Douglas, when you took the trip over that road? A.—I know it was some time in December.

Q.—When did you go through to Fort McMurray? A.—It was in the fall.

Q.—What time? A.—In October.

Q.—How did you go? A.—From here down to Athabasca then by river to Fort McMurray and walked back over the line.

Q.—How long a time did you spend there? A.—About one month on that one trip.

Q.—That's your last estimate, \$34,320.00? A.—Yes.

Q.—How is that amount made up? A.—Just clearing, grubbing, solid rock, all other material is under classification—Overhaul, Frame Bridges, Hauling Material, Ties, Steel Rails, Track Fastenings, Track-Laying, Telegraph Poles, etc.

Q.—Did you get out and inspect the clearing? A.—This was all done when I was over the line in the fall.

Q.—It was all done before? A.—Yes.

Q.—Did they put in any other estimate before? A.—No, these estimates I may say are sometimes a month or two behind the time the estimates are passed. The work is always ahead of the estimates. This estimate put through March 9th it did not go through until a couple of days ago and on March 9th it would be a month or six weeks because it takes that at times to get the information made up.

Q.—That would be February 9th? A.—Yes.

Q.—And solid rock placing, did you inspect that? A.—I saw solid rock when I was up there.

Q.—You did? A.—Yes.

Q.—How much was paid out for solid rock altogether? A.—Altogether?

Q.—In that estimate? A.—5291 yards at \$1.50 per yard.

Q.—You saw solid rock there? A.—I saw it before it was moved.

Q.—Did you see it placed after it was moved? A.—No.

Q.—How do you know it was moved? A.—I must take the engineer's word for that I could not dig it myself.

Q.—Then as far as you know it may be there or not?

HON. C. R. MITCHELL:—No, he said it was there before it was moved.

Q.—MR. TWEEDIE:—You have never seen that particular rock moved? A.—No.

Q.—What other work is there making up the estimate? A.—Small bridges.

Q.—Where? A.—On the Great Waterways.

Q.—Have you seen the bridges since construction? A.—No.

Q.—Do you know they are constructed? A.—I must take the word of the engineers. But before they are put through I will see them.

Q.—Still, you take the word of the engineers,—you have not seen the bridges. What other items are included? A.—Tracks, rails, ties, track fastenings, some track-laying.

Q.—Some track-laying is there? A.—Yes.

Q.—Have you seen that track since it was laid? A.—No.

Q.—How do you know the track is laid? A.—Because I have seen the rails and all the material, seen it go forward and will see it before the final estimate is put in.

Q.—But you have not seen it,—you have passed the estimate before you have seen it?

Q.—HON. C. R. MITCHELL:—How much did that amount to? A.—\$34,000.00.

Q.—MR. TWEEDIE:—That was paid on **how much** estimated work? A.—Estimated total work?

Q.—I mean the difference between that and the last that came in when a fresh estimate comes in in addition to that how much new work does it show there? Was there \$34,000.00 new work? A.—Yes, more than that.

Q.—Roughly speaking how much more would there be? A.—That would be percentage—

Q.—What? A.—66.9 per cent.

Q.—This is 66.9 per cent. of what is estimated was done? A.—Yes.

Q.—What else in that estimate? A.—Telegraph line.

Q.—Have you seen the Telegraph line? A.—No, not since it was put up. I have seen the poles.

Q.—How do you know it was put up? A.—I must take the engineer's word for it.

Q.—What else is there? A.—Material on hand out in the yard here.

Q.—What material had you seen in the yard? A.—9202 tons rails, 477 tons track fastenings, 43 tons bolts and nuts, 296 tons spikes, that's all the track material.

Q.—Did you see that quantity, any more or any less? A.—I saw more than that, lots of that I saw went out to the line.

Q.—But you saw rails there,—did you see these piled together—some to be used on the Central Canada Railway, some on the Alberta Great Waterways and some on the Edmonton, Dunvegan & British Columbia Railway? A.—Yes.

Q.—All piled in one pile? A.—No, in several piles.

HON. C. R. MITCHELL:—He said that before,—they had the total they knew how much there must be.

Q.—MR. TWEEDIE:—Did you see a pile labeled Alberta Great Waterways? A.—No.

Q.—How do you know there were any for the Alberta Great Waterways? A.—I know they have got enough of steel to finish the line.

Q.—How do you know it was Alberta Great Waterways rails? A.—I took the word of the engineer and the amount they have purchased in the yard.

HON. C. R. MITCHELL:—I presume they must have all the rails and documents and evidence before—

MR. TWEEDIE:—Just wait until I get through I will tell you. (To the Witness):

Q.—What else is there? A.—That covers pretty nearly everything.

Q.—Now, take your previous estimates, what date is that? (Points to estimate book). A.—January 31st.

Q.—For what amount was that? A.—\$202,620.00.

Q.—What work is included in that? That is, not included in previous estimates. A.—Small adjustments in clearing, solid rock, some overhaul, etc.

Q.—How much grubbing? A.—3½ acres.

Q.—Did you see that after it was grubbed? A.—Well, the whole thing was grubbed over in December—these are what come in for final adjustment.

Q.—Give us the large items to make up the \$202,620.00? A.—Material on hand.

Q.—What material is there? A.—About \$60,000.00 worth of steel rails.

HON. C. R. MITCHELL:—In that connection you mention certain steel rails to these railways. Did you see any ledger accounts in connection with these quantities and items? A.—Yes, I saw the cars of rails come in.

Q.—You saw the accounts of these? A.—Yes, there was—they were supposed to be so many cars.

Q.—You had but to examine these cars? A.—Yes, I saw the rails come into the yards

Q.—And verified the quantities from the books? A.—Yes.

HON. C. R. MITCHELL to MR. TWEEDIE:—He knew the rails were there.

Q.—MR. TWEEDIE (to the witness:)—Just give us the large items. A.—Rails \$60,000.00.

Q.—Did you see these piled in the yard? A.—Yes, sir.

Q.—Were they labeled Alberta Great Waterways? A.—No, sir, they were not labeled.

Q.—They were all piled together? A.—They were piled in rows.

Q.—Were there any marked there Alberta Great Waterways? A.—No.

Q.—There was nothing on the rails to indicate what they were to be used for? A.—No. No particular railway.

Q.—You relied upon what you were told by the engineer? A.—Yes, and what I saw with my own eyes.

Q.—You saw those rails with your own eyes? A.—Yes.

Q.—Did you count them? A.—No, I estimated them.

Q.—Just estimated them? A.—Yes.

Q.—You did not count the number of rails there? A.—No.

Q.—What weight were they? A.—Sixty pound.

Q.—All sixty pound? A.—Some 70 pound to be used on the Central Canada Railway.

Q.—Any 56 pound? A.—No.

Q.—All new rails? A.—Yes.

Q.—Some 60, some 70 pound. Now, what other items is there? A.—\$70,000.00 for ties.

Q.—Did you see the ties? A.—I saw them making ties when I was on their right-of-way, they were delivering them then.

Q.—How many did you count on the right-of-way? A.—I didn't count them.

Q.—How do you know there were \$70,000.00 worth of ties? A.—At that time I did not know exactly,—they were delivering on the right-of-way all the time for when the steel reaches a certain point they require a certain amount of ties.

Q.—Were those \$70,000.00 worth all used? A.—When?

Q.—When the estimate was made? A.—I cannot say.

Q.—Have they been used up now? A.—I don't know.

Q.—Where were they piled? A.—Along the right-of-way.

Q.—What points? A.—I cannot tell you where they are at the present time.

Q.—Did you see them piled on the right-of-way? A.—I saw piles along the right-of-way.

Q.—Did you see \$70,000.00 worth? A.—I saw considerable more than \$70,000.00 worth.

Q.—Did you see the \$70,000.00 in that estimate piled along the right-of-way? A.—I cannot say if these exactly.

Q.—How do you know there were \$70,000.00? As a matter of fact now, Mr. Douglas, you took the word of the engineer? A.—No, I took his word combined with what I saw myself.

Q.—How many did you count? A.—I did not count any.

Q.—How many piles did you count?

MR. MITCHELL:—Let him ask on what he bases his opinion.

MR. TWEEDIE (to the witness):—How many piles did you count? A.—I cannot say.

Q.—At what points did you see these piled to make up the \$70,000.00? A.—I cannot say at the present time.

Q.—MR. MITCHELL:—Did you take the same steps to ascertain at any time how many were distributed along the grade? A.—Yes, I saw ties being distributed along the grade, I know how many it takes to a mile.

Q.—Were they putting them down so many to a mile? A.—Yes.

Q.—MR. TWEEDIE:—Had you counted the miles? A.—Miles of what?

Q.—Ties in a mile? A.—I know how many they put in a mile.

Q.—Have you ever counted a certain number of ties in a mile? A.—No, but I have seen how many there are to each rail.

MR. MITCHELL:—He does not have to count them, the engineer sizes them up.

MR. DOUGLAS (the witness):—There are 3,000 in a mile. If you count the number to a rail that would be the same thing.

MR. MITCHELL:—It is very difficult for a layman to make practical enquiries.

Q.—MR. TWEEDIE:—There were \$70,000.00 worth of ties. You never counted the ties? A.—No.

Q.—Never counted the piles. A.—I cannot say whether I did or not.

Q.—But you said before you did not, you didn't know the place where they were piled.

Q.—MR. MITCHELL:—But before you give a final estimate, Mr. Douglas, you would know whether they went into the grade and the steel put on them? A.—There are several hundred miles of steel to be laid I know I can make several trips over the line.

Q.—MR. TWEEDIE:—What other large items have you in that? A.—None exceptionally large. Rails in track is largest item.

Q.—Well track,—how much is that? A.—Twenty miles of track laid.

Q.—How much per mile? A.—94.2 tons in a mile. Steel is \$38.88 per ton.

Q.—MR. MITCHELL:—Is that a reasonable price for steel? A.—I consider it so.

Q.—MR. TWEEDIE:—You considered steel in your former statement in the yard? A.

—When it is in the track it is deducted from that in the yard.

Q.—Do you deduct it there? A.—It is deducted in the estimates.

Q.—What is the cost of that track? A.—Do you mean rails?

Q.—No, laying of the rails. A.—Track laying we allow \$600.00 per mile.

Q.—How many miles? A.—Twenty-two.

Q.—How much would that amount to? A.—\$13,200.00.

Q.—Were you over the track after it was laid? A.—No.

Q.—How do you know the track was laid? A.—We have a certified grade statement of the chief engineer and must go by that.

Q.—Then the engineer told you and you took his word for it? A.—I can go over and see it.

MR. MITCHELL:—He is not taking chances of getting money under false pretences.

Q.—MR. TWEEDIE:—He put in his estimate claiming the track was laid for 22 miles?

A.—Yes.

Q.—You never went over it to see if that was correct? A.—No.

Q.—You passed his estimate? A.—Yes.

Q.—You passed it on what he told you? A.—Yes.

Q.—Whether by writing or word of mouth? A.—Yes.

Q.—What other items were there? A.—Rails in connection with this track, bolts, angle bars, etc.

Q.—What did they amount to? A.—I would have to figure that out.

Q.—Did you ever go over it to see whether these were there or not? A.—No, they were actually in the track.

Q.—How do you know they were? A.—I must take the word of the engineer, as I said before.

MR. MITCHELL:—You see it makes some difference when it is put in. Sometimes it is just before all these things can be examined, sometimes after he makes an inspection.

Q.—MR. TWEEDIE:—So in all the items in that estimate of \$202,620.00 on the 31st of January you have taken the word of the chief engineer for the work having been done?

A.—Not all of it, the material in the yard would easily make over half of it.

Q.—But that material wasn't separated or allotted to any particular railroad? A.—But there was enough there for all roads.

Q.—That's all I want to know to any particular road? A.—No, not in the yard but there was enough for all three roads to finish all the various construction.

Q.—Was there enough to finish the Alberta and Great Waterways, the Edmonton-Dunvegan and British Columbia and Central Canada Railway? A.—Yes.

Q.—How many tons on hand? A.—I cannot say off-hand.

Q.—On this estimate you make this statement: I examined this estimate, work and material in connection therewith and certify the percentage of work as examined is a fair and just amount. You did not examine all the work—not the actual track laying? A.—Not the actual track laying, no.

Q.—But you did not examine it that's what I want to get at. A.—You are—

Q.—You have certified you have examined the work and material, now there are 22 miles of track you never examined—that's correct, is it not? A.—Yes.

Q.—You don't know whether they were laid or not? A.—I know it is for the chief engineer to say.

Q.—But you certified—"I have examined the work."

MR. MITCHELL:—He is not deaf, there is no need of shouting.

MR. TWEEDIE:—I want to pin him down. (To the witness): You have certified that you have examined the work and have admitted you have not examined the work, are you signing a true certificate when you put your name to that? A.—I am signing what I believe to be true.

Q.—But there is your certificate—"I have examined."

MR. MITCHELL:—He has examined the work and material. He has seen the material. It is material not laying he certifies to and he says further it is fair and only pays 66 per cent.

Q.—MR. TWEEDIE:—You have not been over the culverts since they were constructed? A.—Yes.

Q.—You told me you did not— A.—I said bridges not culverts.

Q.—It is work, is it not? A.—A very small part of it.

Q.—You did not examine it after it was done? —(No answer).

Q.—You saw the rock there and did not examine it after it was moved, that's work is it not? A.—Yes.

Q.—You certified this also? A.—Yes, I signed them all.

Q.—MR. MITCHELL:—How is material consigned? You say you saw rails sufficient to equip all roads,—how would they be consigned to different railways, definitely or how?

A.—I just don't recall how they go but some go to the Edmonton, Dunvegan and British Columbia Railway, some to others.

Q.—But there is a common yard? A.—Yes.

Q.—THE CHAIRMAN:—Each would go to each certain railway? A.—I think so.

Q.—MR. TWEEDIE:—Did you see any rails consigned to the Alberta Great Waterways in that yard?

MR. MITCHELL:—He does not know that, he must go into the office to get that information.

THE CHAIRMAN:—The consignment is right on the car. (To the Witness): Did you ever see a consignment for the Alberta Great Waterways? A.—I have seen a notice they had been consigned to the Alberta Great Waterways.

Q.—MR. TWEEDIE:—To the company or Alberta Great Waterways Railway? A.—I cannot exactly say.

Q.—Now, who were they consigned to, J. D. McArthur Construction Company or the Alberta Great Waterways Railway? A.—I do not know.

Q.—Has this road been constructed over the original survey of the Alberta Great Waterways,—when Mr. Clarke was in it? A.—I don't know, I never saw the original survey or plans, I don't think there were any plans when I came into Government service.

Q.—Were there any diversions in the road since it was started? A.—I think so.

Q.—Do you know how many miles? A.—I cannot say off-hand—some small diversions.

Q.—That would show in the profiles? A.—Yes.

Q.—Have any branches been built off it? A.—Not off the Waterways, not Waterways Branches.

Q.—Any roads built off or connected with the Waterways? A.—I believe there is a branch off the Waterways.

Q.—How many? A.—One I know of.

THE CHAIRMAN:—That will do this morning, Mr. Douglas.

W. R. SMITH, Manager of the Edmonton, Dunvegan and British Columbia Railway, recalled:

MR. TWEEDIE:—

Q.—At the last session you were asked to produce certain contracts of the Central Canada Railway Company. A.—Yes.

Q.—Do you know whether this railroad, the Alberta Great Waterways, was constructed over the original line or not? A.—I know it wasn't.

Q.—How much diversion is there? A.—The diversion is very large, it runs to the east end of Lac La Biche where it originally ran to the west end.

Q.—Does it generally traverse the same route? A.—Just to about mile—I think approximately mile 60.

Q.—Then it goes through new territory? A.—Yes.

Q.—But it travels generally the same direction? A.—Yes, generally, to reach its destination, going to Lac La Biche.

Q.—Why was it changed? A.—Because the roads and surveys as drawn originally were absolutely impracticable to one end of Lac La Biche, they got into a jack-pot, they could not get any further, they could not use the grades and they were up against the Athabasca river and we threw the line into a much better country.

Q.—Was it a better country? A.—Yes.

Q.—For both the country and the construction? I mean the attractiveness of the soil? A.—I suppose you mean timber. You are naturally wrong. It was I who located that line and at the time the line was located I did not know there were timber berths in the world. It had no bearing on the line.

Q.—Just happened to run up near it? A.—What I stated is absolutely a fact.

Q.—To get back to the contracts,—have you the contracts with you? A.—No, not this morning. One of the men is delving through the contracts; the first I knew you wanted me this morning was last night.

Q.—I saw you last Monday, you said you would have them the last of the week? A.—I am going to state right here in connection with these contracts I will gladly table all the main contracts, but I will not show any contracts between the J. D. McArthur Company and outside individuals. I have had a specific instance last Saturday affecting the credit of one of our sub-contractors. If you order me to do so I will dig up the sub-contracts for the first 27 miles which will run into 100 contracts, with statements attached; if this will not do I ask that a final estimate accompany which will be sworn figures of actual building performed made by the engineers of the railway companies.

Q.—You have a perfect right to produce those. That is the first 27 miles, how about the others? A.—You will have to get the consent of the sub-contractors to produce them.

Q.—No, we do not have to get their consent to that. A.—I will have to have an order to produce them.

Q.—We want you to produce them to show the actual cost of the construction of the road. A.—Mr. Chairman, what they are asking us to do is this:—to produce figures, for instance, showing work let at say 28c, they will say the main contract is estimated at so many yards and so much provided,—which is wrong, it is affecting our credit this investigation. If they go into the cost they must take the final estimates.

Q.—No, we will take the actual amounts paid out. A.—That's what I mean.

MR. MITCHELL:—They take the contract at so much, but there are things which crept up and they want the privilege to put that in to show the total payments. There is nobody wants half the papers.

THE CHAIRMAN:—You are willing to produce them without an order? A.—Dr. Blow asked for profiles. I have with me the profiles for the first 27 miles. I will produce the main contract between the Railway Company and J. D. McArthur Company and if so ordered by this accounts committee I will produce these innumerable small sub-contracts. In some cases—it is just a question how far you wish to go.

MR. MITCHELL:—If you are required to produce some documents you want the privilege of producing the whole of them. He wants the whole story told or none at all.

MR. HOADLEY:—We wish him to produce the documents in connection with the whole story.

MR. SMITH (the witness) :—Understand the digging up of these contracts is quite a job they are filed away and to each is attached an estimate, contract, etc.

MR. HOADLEY:—Would Tuesday next be better? A.—Yes. I am going to show statements in this contract where we paid as high as 75 cents for material and ranging down as far as 70, 60, 40 and 35 cents.

DR. BLOW:—Will you bring down the invoices for steel? A.—Yes, I will.

MR. TWEEDIE:—We just want to have the truth told.

THE WITNESS:—It has come to a point where it is best.

THE CHAIRMAN:—Some credit was hurt, do I understand?

THE WITNESS:—Yes.

THE CHAIRMAN:—From statements in the House or the Committee? A.—The House.

Mr. Tweedie moves that Mr. Smith be instructed to produce all evidence required by the committee, or any member of the committee, as to the cost of the construction of the Canada Central Railway from McLennan to Peace River. This is objected to by Mr Mitchell who does not want such a blank motion.

THE WITNESS:—I presume I am entitled to produce sworn costs to show you where our bills cost us \$1.60 per yard on one place and 78c per yard in another.

Mr. Mitchell states that—"we are here to receive motions at any time and if the motion Mr. Tweedie has made turns out not to be broad enough we will consider a motion from him to produce more documents. Let us in the meantime make a motion for certain documents, enough for a time being." States further that the contract between the Central Canada Railway and Alberta Great Waterways and the J. D. McArthur Company is enough material to produce until next meeting, as that will keep them busy, and they can then ask for more as the work progresses.

MR. HOADLEY:—Let it go at that.

MR. TWEEDIE:—I want the actual cost of the Central Alberta Railway between McLennan and Peace River Crossing.

THE CHAIRMAN:—As far as I am concerned I would ask that instructions be given that all questions asked in relation to anything be confined to the subject in hand. If a witness comes with certain documents he is asked to bring more.

MR. TWEEDIE:—If we just make a resolution to bring certain documents—

MR. MITCHELL:—Well, pass resolutions to ask for certain amount of the material each day as you want it.

THE WITNESS:—I have no desire to keep information from this committee but what I do object to is upsetting our entire office. Most of this information is being used a couple of times every day in the office.

THE CHAIRMAN:—I think you will find it better to have the vouchers of the payments made.

THE WITNESS:—I cannot give you the vouchers, we have only adopted the voucher system in the last four months.

THE CHAIRMAN:—But you would have your cheques.

THE WITNESS:—I don't think I ought to dig up cheques. I am willing to swear that the evidence I produce is correct and probably the accounts are not all paid. I don't believe, I cannot state positively if Timothy & Reilly have been settled with entirely.

MR. TWEEDIE:—Let him produce all contracts and sub-contracts of the Central Canada Railway of the whole line and produce first the construction from Mile 267 into Peace River.

THE WITNESS:—I have no desire to avoid it but it is a pretty big job. (Produces profile and shows various places). You can see running over 27 miles of work with statements attached is some job.

Mr. Tweedie amends his motion to bring down what is required at the meeting on Tuesday Morning at ten o'clock in the morning. Committee agrees. Mr. Smith to bring down further documents that are needed from time to time.

Meeting adjourned at 12.40 p.m.

FRANK WHITESIDE,
Chairman.

EXHIBIT 1

UP TO AND INCLUDING MARCH 31st, 1916

| | Amt. paid Rlys. on Contracts | Int. paid Railways | Total paid Railways | Proceeds re Sale of Bonds | Interest Received | Total Revenue | Balance at Bank |
|--------------------------|---------------------------------|-----------------------|------------------------|------------------------------|----------------------|------------------|--------------------|
| Alberta & G. W. Rly. . . | \$ 4,632,538.70 | \$ 1,472,399.37 | \$ 6,104,938.07 | \$ 7,400,000.00 | \$ 1,472,399.37 | \$ 8,872,399.37 | \$ 2,767,461.30 |
| Can. Northern Rly. . . . | 7,711,088.24 | 258,463.15 | 7,969,551.39 | 8,860,048.09 | 258,463.15 | 9,118,511.24 | 1,148,959.85 |
| G.T.P. Branch Lines. . | 3,293,067.50 | 107,676.34 | 3,400,743.84 | 3,293,068.50 | 107,678.34 | 3,400,746.84 | 3.00 |
| Can. Northern W. Rly. | 3,443,300.23 | 169,873.29 | 3,613,173.52 | 5,437,433.86 | 169,873.29 | 5,607,307.15 | 1,994,133.63 |
| Edmonton & Dunvegan | 6,254,105.18 | 319,322.24 | 6,573,427.42 | 6,437,576.10 | 319,322.24 | 6,756,898.34 | 183,470.92 |
| Lacombe & Blindman.. | 116,623.44 | 2,619.10 | 119,242.54 | 256,659.35 | 7,779.55 | 264,378.90 | 145,136.36 |
| Central Canada Rly. . . | 756,899.38 | 33,627.04 | 790,526.42 | 1,867,530.00 | 33,627.04 | 1,901,157.04 | 1,110,630.62 |
| | | | | | | | |
| | \$ 26,207,622.67 | \$ 2,363,980.53 | \$ 28,571,603.20 | \$ 33,552,315.90 | \$ 2,369,142.98 | \$ 35,921,398.88 | \$ 7,349,795.68 |

March 29th, 1916.

EXHIBIT 2

BANK BALANCES ON THE FOLLOWING ACCOUNTS
ON THE DATES MENTIONED

| | Jan. 1, 1915 | Jan. 1, 1916 | Amt. spent year 1915 |
|---------------------------------|------------------|-----------------|-------------------------|
| Grand Trunk Pacific | \$ 3.00 | \$ 3.00 | Nil |
| Central Canada Railway | Nil | 1,179,080.27 | \$ 693,285.89 |
| Canadian Northern Railway | 1,148,959.85 | 1,148,959.85 | Nil |
| Canadian Northern Western | 2,759,652.39 | 1,994,133.63 | 765,518.76 |
| Edmonton -Dunvegan & B.C. | 1,713,656.10 | 343,766.57 | 1,369,889.53 |
| Alberta & Great Waterways | 5,666,181.30 | 3,004,401.30 | 2,661,780.00 |
| Lacombe & Blindman Valley | 140,025.91 | 140,025.91 | Nil |
| | \$ 11,428,478.55 | \$ 7,810,370.53 | \$ 5,490,474.18 |

March 2, 1916.

MEETING CALLED TO ORDER AT 11 A.M., FRIDAY, MARCH 31ST, 1916

The Honorable Mr. Turgeon Presiding

Members of Committee present: The Honorable Messrs. Mitchell, Stewart, Michener, Tobin, McNaughton, Moffat, Dr. Blow, Hoadley, Dr. Campbell, S. E. Campbell, The Honorable Mr. Ewing examining.

MR. HARMER, recalled:

MR. EWING:—

Q.—You were telling us the last day, Mr. Harmer, you described your system of distribution and I understand you ship your poles to centres and to the large centres, and then either distribute them to smaller centres or direct to smaller centres,—is that correct? A.—Yes.

Q.—You keep in your office here records of all points to which poles are brought at each point, that is kept in your Construction Department? A.—Yes.

Q.—So you can tell at any time just where all poles are which belong to the department? A.—Yes, our records show, or should show, that.

Q.—Now, what practice do you follow with reference to shipping poles to the smaller centres—I mean after you have come to the conclusion to build a line there do you ship the poles there or before? A.—They are shipped before, but first an estimate is prepared for the line likely to be called for to outlying points—one year previous to the actual construction of the line—perhaps one year our estimates are prepared on that preliminary estimate, according to the petitions received from the various communities.

Q.—I wish to call your attention to a few facts in connection with the poles. This, Mr. Harmer, is a file showing stock report of your Inspector, R. J. Shaw. You don't doubt the signature, do you? A.—I don't know it.

Q.—Have you any doubt as to that signature? A.—No.

Q.—That is 84—25 foot poles, is it not? A.—Yes.

Q.—Then there is a memo. here showing that some of these poles must have been taken as the original count was 112. Whose writing is that? A.—I could not say.

Q.—Do they not ever come to your attention? A.—Never.

Q.—Would such thing come to your attention? A.—Not necessarily. These are handled as matters of departmental detail. There is difficulty in counting poles. There should not be in the small number of that count but there is. You send two or three men and they will make a different count.

Q.—Yes. These are general details. But your men ought to count poles correctly. A pole costs \$1.50.

MR. MITCHELL:—How many poles out there?

MR. EWING:—Originally 112 and it shows there were 84 at Mile 27, Peace River Branch.

MR. HARMER:—When you saw a shortage of 28. You see there are a number of poles used occasionally for car stakes.

Q.—MR. EWING:—28 poles are short there and your Plant Superintendent writes poles have been stolen from our stock at this point no doubt by half-breeds or construction crew. That would be correct as far as your knowledge goes, would it not? (See letter dated December 10th, 1913. File 25001 Peace River Branch Poles). A.—Well, he must have made some other report because his report does not show it was stolen simply that there was a discrepancy. The letter is not in uniformity with the report.

Q.—MR. STEWART:—How many poles were gotten out there at that point? A.—MR. HARMER (after consulting with Mr. Pierce):—Something like 17000—18000 poles at the three places.

Q.—MR. EWING:—At what points? A.—At Mile 7, 14 and 24.

Q.—This is Mileage 27. A.—Well, Mile 27 then.

Q.—Was any investigation made of this 28 poles? The file shows apparently that on December 10th, 1915, that 28 poles were stolen. That never came to your notice? A.—Well—

Q.—MR. STEWART:—Is there another file in connection with this file? A.—Not that I have discovered.

Q.—But you have been investigating. A.—I have not come up to any other.

Q.—You know nothing about this? A.—No, it never came to my attention.

Q.—Poles may be lost frequently and not come to your attention? A.—Yes.

Q.—Whose duty is that? A.—The men directly in charge of that district.

Q.—The poles were stolen? A.—Well, it does not show where poles are stolen. They are not accounted for. That is a matter that should be followed up to see if there is a possibility of those having been used for car stakes for loading poles.

Q.—But the pole inspector's sheet shows 28 tamarack poles have been stolen from stock at that point. A.—That is made up this way. I would infer, that is our stock records according to the cards, show originally the poles accepted at that point. They also show any other poles shipped to other points and number on hand at that point would be 112. They would not probably report the car stakes shipped. This report would come to the

office, the clerical office, and the pole inspector would advise 84 on hand. That should be followed up and find out how many used for car stakes.

Q.—MR. EWING:—That would be the proper system ; this was not followed up so far as you know ? A.—No.

Q.—Then according to the statement you have just given us the difference between the poles found by your inspector at any time and the poles shown by your records would be poles used for car stakes ? A.—Not necessarily in every case. Just the poles we have any record of. I will tell you another case in point. A man may go down to another place where other men were and he will find five or six poles. The man finding them may neglect to report them. It would only be discovered after the man went down and made a personal inspection. The trouble is to get the field force to send in accurate reports. This necessitates a personal inventory.

Q.—If the poles, the number from the neglect of which you speak of the pole inspector to report a few poles, the difference would be made up by the car stakes used—What proportion of the poles used would be used for car stakes—say of the poles at any point ? A.—That is impossible to say. There are 8 stakes to a car.

Q.—There are generally about eight stakes to a car—is it the practice to cut up poles for car stakes ? A.—No, it is not generally if we have enough of culls for which we pay 25 cents, for car stakes.

Q.—I suppose the men would not cut up telephone poles for car stakes in a country where there are stakes available ?

MR. MITCHELL:—It is sometimes hard to tell what men will do.

MR. EWING:—I take it men would not cut up a pole which costs \$1.50 to make car stakes unless it was a necessity ? A.—It would depend entirely upon local conditions. If he could not get car stakes at any point at less rate and it would cost more than to cut up poles for that purpose and one pole will make four car stakes. The whole thing is dependent on local conditions.

Q.—As far as the car stakes are concerned it would be hardly worth while. You say it takes eight car stakes, you cut a pole in three, say three poles would make sufficient stakes for a carload.

MR. STEWART:—In this particular case you have 18,000 poles. You have handled 18,000 poles at this particular point, this is the finish of the contract ?

MR. EWING:—That is not an explanation.

MR. STEWART:—Exactly.

MR. EWING:—It is not it at all. These are poles counted at a particular point and it is subsequently found there are 28 short.

MR. HARMER:—I cannot prove that.

MR. EWING:—The file itself establishes that.

MR. HARMER:—It shows it is the finish of that particular district gathering up poles.

Q.—MR. EWING:—Do I understand if one of the foremen comes up and loads a carload of poles there he will send in a report of poles loaded up and not the poles which are used for stakes ? A.—MR. HARMER:—He may, yes.

Q.—Under that system I should think it would be impossible to keep your records in shape. A.—We find difficulty in getting accurate reports from our field forces. It is in any large establishment. An official cannot oversee every piece of work done. You must place some responsibility on individuals.

Q.—But if you are loading dozens of carloads of poles, it seems a strange procedure that three or four poles from each car are held out and no record sent to the office. If that is the system that prevails all over, the office, you will be short thousands of poles.

MR. STEWART:—A case in point is Wetaskiwin. I suppose you make Wetaskiwin a distributing point. It would be cheaper than to go into the country ten miles to get car stakes. I have seen them loading poles using stakes which were taken out of the cars and a few small telephone poles as well. I imagine the telephone poles used were not a third part of the stakes required but if you were to go out and get the stakes it would cost more than the poles.

MR. EWING:—But if you use these right along and make no report that's not good system

MR. HARMER:—That is not general. Following this up—

Q.—MR. EWING:—Take your Alix pole record. On the 1st November, 1913, apparently George Lee made an inspection of the poles at that point. Mr. George Lee is one of your inspectors ? A.—Yes, pole inspector.

Q.—And he found certain poles. Now then, endorsed upon the record of his report are certain memoranda which says that the record shows first the original count dated July 31st. Now, the count on July 31st shows, I think, a shortage of some 400 poles, over 400 poles. Subject to corrections as I do not know whether my additions are correct. How would you account for that ? A.—Possibly he shipped out some and probably no record was made.

Q.—I want to get at your system. The cars are not shipped until you have a record of them, then your pole record is altered accordingly. I want to know why there is a shortage at a certain point of 400 poles ? A.—There may be a discrepancy in the stock record or the poles may be diverted. I will show you that certain cars may be lost at a certain point

and shipped to another. The report comes to the storage clerk, he reports them on a form as poles shipped to that point. Some of these cars would be diverted.

Q.—Who would have authority to divert them? A.—If there is a shortage at any one point likely to hold them up for poles or the plant chief might do it himself or he should if he has the time to call up the head office, somebody in the Stores Department and give instructions to get the car diverted, to ship it to another point.

Q.—If he did this you could make the necessary alterations to your records? A.—There might be somebody slip up somewhere.

MR. STEWART:—Mr. Harmer wants to look through that file, just wait a minute.

MR. EWING:—All right. I propose to go through a number of these and propose to show a great many shortages all over the Province.

MR. HARMER:—You will find these have been used and very few poles have been actually lost. Discrepancies will occur in handling large amounts of poles like this.

THE CHAIRMAN:—Are these records your originals or copies?

MR. HARMER:—Originals. (Refers to file in question). You will see we have poles on the G.T.P. and C.P.R. This shows that the following poles in stock at the G.T.P. Now this is our record here of both C.P.R. and G.T.P.

Q.—MR. EWING:—I think this shows you how this difference is made up. A.—I want to show how this is made up, but you will have to take the two statements into consideration on both lots before you can make any comparison.

Q.—Because they are on both roads? A.—But the figures on this are not totals of any of these piles.

Q.—What is the difference? A.—(After figuring a few moments). Now, according to my figures you have 32 more than the original count before July 31st rather than an actual shortage of 400. You have been taking figures which have no bearing on this whatever.

MR. EWING:—Well, let's go on.

Q.—Now, take your Ferintosh file. There is not much difference there. There is practically no difference although some little difference. No memo. made on it by your clerks. At Mile 7 your inventory of December 8th, 1913, made by R. J. Shaw shows 2043 25 ft. tamarack poles. There is a memo. there which shows "there have been several of these poles cut up and used as there is some pieces of these poles still there. I tried to find out who did it and no one seemed to know, for sure, but supposed it was the construction crew." Your records show according to the endorsement 1217 poles. A.—No. 2043 is the inspector's report by actual count.

Q.—But your records show 1217 and there are 2043, how do you account for that? A.—Well, 800 have evidently been shipped at one time or shown as shipped out but evidently were not. You will have to take the whole completed record of Mile 7.

Q.—But there is no record of this which was checked off. A.—You will have to take the totals.

Q.—All right. Now, then, here is Munson, the record of December 17th, 1913. There have been "one 30 ft. pole used by the Alberta Farmers' Co-operative Elevator to repair bridge of elevator. This was the Munson Farmers' Co-operative Elevator at one time and that name is still on it." They do not do these things without authority. A.—You cannot prevent them doing that without authority. But you will probably find an account was rendered to these people.

Q.—Take Mundare Pole Stock. Here is your Pole Record, January 22nd, 1914, signed by George Lee. Your Plant Superintendent reports on January 28th, 1914, with reference to Mundare: "Pole Inspector Lee visited that point January 22nd and reports 229 25-ft. tamaracks on hand. Our records show 269, making a difference of 40 poles. Can you give us the necessary information as to how these poles were disposed of." Now, then, there is a shortage of 40 poles and your Plant Superintendent asked Mr. Richards for information as to how these poles were disposed of. That would be the procedure in every case where there is a shortage? A.—Yes, trying to get at where the shortage comes—whether an inaccuracy or if used by some construction crew or by the Local Plant Inspector or what has been the disposition of the poles, possible to find out.

Q.—And with the records you have it should be easy to discover how the discrepancy arose? A.—We try to find out if we can possibly.

Q.—But poles cannot be easily disposed of, they are there or your records should show where they are? A.—Yes, if we can get the proper record from our employees.

Q.—Your last inspection at the above point shows 269 poles are reported as being in stock?

THE CHAIRMAN:—Are you still at Mundare?

MR. EWING:—Yes.

Q.—(To the witness). Since then we have had no report of any used. From taking it up with the Inspector here is his final reply as shown by his reply of February 11th, 1914: "Our inspector cannot account for the shortage and has inquired of both the station and our telephone agent, who do not seem to have seen anybody removing poles from this stock since the gang left after completing Mundare Rurals." That closed that matter, did it? A.—Yes. My impression is that the poles have been used on construction work and that some 40 poles have been omitted to be included in some of the reports submitted the Plant Department to the Head Office, as there had been nobody there to use these

poles since the completion of the work by the construction crew. These are matters of ordinary details of which you can get the actual manner of handling and actual conclusion come to from the General Superintendent or Plant Superintendent.

Q.—Has there been any conclusion arrived at on February 11th, 1914, when your Plant Superintendent asks for an investigation from your Plant Chief. A.—Is that the full record you are dealing with?

Q.—No. A.—Well, those are matters of detail trying to check up and trying to get accurate records. That is not the full record.

Q.—No. I have your record from the correspondence. I have gone over the correspondence in each case your inspector writes in giving poles at each point. He states in his report for you to adjust your records accordingly. A.—That just substantiates what I have said. There are poles used on which no report is made. It is hard to get telephone men to do clerical work.

Q.—You have just said you adjust your pole records from time to time from the reports the inspector sends in and according to your correspondence on file here with this shortage report you simply adjust your records accordingly and let it go at that? A.—No, we intend to find out what disposition is made and then adjust the records.

MR. STEWART:—You are assuming these are complete records. The question I would ask is this a complete record? He says, no.

MR. EWING:—Let us have the complete record.

MR. STEWART to Mr. Harmer:—

Q.—How many miles have you constructed at Mundare, off-hand? A.—I don't know. There may be—the probabilities are they did not report the number of poles used. It happens it is very difficult to get men in the field to make clerical reports. There is bound to be some inaccuracy.

MR. EWING:—I can understand an inaccuracy cropping in. Here's a place where 40 25-ft. poles simply dropped out of sight, you make an investigation and finally report comes from the Plant Chief as shown by the file, that he is unable to account for the 40 poles—nobody knows where they are.

MR. STEWART:—I know as a matter of fact that most of these rural lines take on additions. There is no doubt there are changes from the time they start until they are finished. There is no way you can take the number of poles reported on the job, take the statement of the construction work done from the vouchers and find out what was done. It will be a matter of looking up the details from the amount of construction work done at that point.

THE CHAIRMAN:—Would the maps show?

MR. HARMER:—The work done on that district, the total work done, would show the number of mileage turned out and we could tell how many poles used from that.

Q.—MR. EWING:—Take another case, Mr. Harmer. Here is another letter bearing the date November 3rd, 1913. Your Plant Superintendent writes to J. B. Burke at Camrose. It says: "Kindly note our Inspector visited Meeting Creek on October 31st and reported 294 20-ft. and 1531 25-ft. tamarack poles in stock. Compared with our records there is a shortage of 12 20-ft. and 25 25-ft. which our Inspector Shaw thinks in all probability have been taken from stock by Mr. Olstead, road inspector. Kindly look into this matter and report to this office as to how these poles were used." Now, Mr. Olstead is not connected with your department at all? A.—He had odd track work from us, putting up individual lines to supply rural applications.

Q.—Then Mr. Burke replies under date of December 3rd, 1913: "Replying to yours of the 27th ult. would say: I have seen Mr. Olstead and he did not take any poles. I might also say that we can find no report in this office as to poles being used since being shipped to that point and can only put the difference down to a miscount in the first place or stolen later on by someone. I will therefore adjust my cards for the present according to your inspector's count and shall have an actual count taken shortly." There is 37 poles which have apparently dropped out of sight. A.—It may be due to a miscount in the first place. I will guarantee you and I will not count poles correctly in 17,000 or 18,000 poles.

MR. TOBIN:—Nobody can do it.

MR. STEWART:—Are these poles counted just as they are dumped off the cars?

MR. HARMER:—They are supposed to be.

MR. STEWART:—I mean a count for the purpose of record. I notice they lie there one month or two months until they are hauled into the country, there are all grades. What I mean, these poles are tangled up—

MR. HARMER:—It is done to count them.

Q.—MR. EWING:—Would there be any method of counting poles? A.—No, they are piled up.

Q.—But if it is a difficult task to count the poles how do you count them when buying? A.—Count them on the cars. It is easy to count them when piled properly.

Q.—Would you undertake to say in addition to what your contractor says one or another of these explanations is the correct one? A.—I would not say either is correct. It is possible the poles may have been used by some one in connection with the system.

MR. EWING:—He may have been wrong altogether, but the fact remains that 37 poles are not accounted for and your inspector shows them stolen or there was a miscount. Now, let us go into another one: Bruderheim—Under date of January 23rd, 1914, the Pole

Inspector, George Lee, shows poles to the amount of 135 25-ft. tamarack poles. There is a memo. endorsed thereon saying: "Our records show 152". Now then, under—

MR. HARMER:—Just give the whole information—our records show 135 25-ft. and 13 30-ft.

MR. EWING:—Under date of January 28th, 1914, your Plant Superintendent writes to Mr. Richards, the Plant Chief: "With reference to Bruderheim pole stock we might say Pole Inspector Lee was at that point on January 23rd and reported 135 25-ft. tamarack on hand. Our records show 152, making a difference of 17 poles; kindly advise this office as to how these poles were disposed of." Under date of January 31st, 1914, your Plant Chief replies: "Replying to your letter of the 28th inst, your last inspection made at the above point according to our records was April 7th, 1913. Since that date we have had no report of any poles having been used for the above stock. I am, however, taking this up with our inspector and will advise you further." And here is the final answer under date of February 11th, 1914. Mr. Richards replies: "Further to our letter of January 31st replying to yours of January 28th, we have taken this matter up with our inspector who cannot account for the shortage as he is absolutely certain that no poles have been used by him from the above pole stock since 7th of April, 1913." I suppose that is the last word as far as your department is concerned? A.—Is that Bruderheim?

Q.—Yes. I mean your department made an investigation and failed to discover what had become of those poles that is a fact, as shown by your file. A.—It shows there is a discrepancy between my office pole record and the actual count by the inspector.

Q.—And your Plant Superintendent shows he is absolutely unable to account for it? A.—He does not say that wholly—

MR. EWING:—Well, the letter is in. Now, turning to St. Albert, under date of December 23rd, 1913, your Plant Superintendent writes to Richards: "St. Albert pole stock, with reference to St. Albert pole stock we beg to advise you our inspector was at that point on December 3rd and reported 110 25-ft. tamarack in stock. Our records show 171 25-ft. and 30 30-ft. tamaracks on hand, making a shortage of 61 25-ft. and 30 30-ft. Kindly look into this matter and advise this office as to how these poles were disposed of." A. W. Thomas, Plant Chief, replies under date of March 11th, 1914: "Replying to your letter of December 23rd, we have had our inspector count these poles and he reports 112 25-ft. tamarack and 30 30-ft. tamarack poles as being in stock. He cannot account in any way for the shortage of 59, according to your letter of the above date." I presume that closes that transaction, Mr. Harmer? (Mr. Harmer does not answer.)

Q.—MR. EWING:—Will you answer that or are you prepared to answer? A.—I cannot say anything of these.

Q.—But all my information is contained in this file at my disposal. A.—No other detail as to the manner of handling or disposition will have to be obtained from the officials directly in charge of that branch of work.

THE CHAIRMAN:—In fact what you said about Mundare will apply to all? A.—Yes, it is a matter of record.

MR. EWING:—Take Edberg, under date of November 7th, 1913, your Plant Superintendent writes as follows: "With reference to Edberg pole stock, we beg to advise you our inspector was at that point on October 29th and reported 451 25-ft. tamaracks in stock. Our records show 100 20-ft. and 859 25-ft. on hand to date. Kindly look into this matter and report to this office as to how the balance of these poles were disposed of." Mr. Burke replies under date of December 3rd: "Replying to yours of the 25th ult. would say that I have looked over all reports in connection with the above and can find no trace of how these poles were disposed of." That's the conclusion of that file. Would you have any further information on that than what is shown on the file? A.—No, I have not that information.

Q.—What do you pay for unloading cars? A.—Whatever best arrangements can be entered into.

Q.—What do you ordinarily pay? A.—All the way from \$8.00 to \$10.00—it depends on conditions under which they must unload—how far to move them from the cars, for immediate use or pile them on the right-of-way.

Q.—There is a minimum distance they must move them from the track, is there not? A.—No.

Q.—Do the railway allow you to unload poles any distance from the rails you like? A.—They have no objections unless we are going to leave them where they interfere with traffic at some siding.

Q.—What is the usual price for unloading? A.—No usual price.

Q.—You cannot even strike an average rate? A.—One which may apply in one case may not apply in another—it depends on labor conditions in each place.

Q.—What would be the ordinary distance from the rail? A.—There is none. It depends on the locality you are able to secure.

Q.—But there must be a certain distance for unloading at a siding, it must be a certain distance away from the rail to prevent it coming into contact with the rolling stock.

MR. EWING:—I might call your attention to Bremner Siding, car 40771, you paid apparently \$20.25 for unloading the car. Your Plant Superintendent says: "The poles were not piled more than 12 feet from the rail—it might be of great interest to find out who

unloaded these poles and why they were left so near the track." There is an explanation given in a letter dated December 16th, 1913, the "reason the cost of unloading car 40771 was so high was in that particular instance caused by one of our inspectors getting hurt." Can you explain that?

A.—MR. HARMER:—His letter, where there is an excessive charge of unloading poles, an explanation must be given by the men directly responsible for the unloading. His explanation is—"In this particular case the excessive cost was by one of our inspectors getting hurt, it was our intention that two of the inspectors unload a car at Bremner Siding and the other two drive on to Clover Bar to unload the car there." He also says: "I cannot find that inspectors were ever advised to have poles cleared away from the track as far as 16 feet but will arrange to advise them at once so that no further cases of this kind may arise." The case of injury I don't know what the injuries were, that would be charged up to the Telephone Department. It would be charged against that particular work in which he was employed.

Q.—MR. STEWART:—Is that the practice? A.—Yes.

Q.—MR. EWING:—All men who are injured in the Telephone Department are charged up not to the Telephone Department but to the work which they were connected with at the time of the injury. A.—No, only so far as it is possible to charge that—if maintenance it would be charged to maintenance, if construction, it would be charged to construction.

Q.—If men were injured while loading or unloading a car you charge it to the particular job of unloading the car, is that the case? A.—Yes.

Q.—Would that be the practice? A.—Yes, it should be.

Q.—What instructions do you give as to the distance of unloading cars away from the rails? A.—I don't know, Mr. Pierce had some matters as with the Railway Companies in connection with clearing the right-of-way. If you are going to get him on the stand he will give you that information. I see according to that letter, 16 feet.

Q.—Take this case of Ranfurley. Your report shows 395 and 312 and your report also shows you moved 450 poles out of a slough along side of the track. Is that the ordinary place for unloading poles? A.—No, that would be exceptional. Probably when they unloaded there was no water there.

Q.—Your inspector refers to it as a slough.

THE CHAIRMAN:—All through that country you will find land which is a slough at one time or another during the year.

MR. HARMER:—Excessive rains may have made it become into a slough, but as soon as we found it was a slough we had them removed.

MR. STEWART:—Where was that point?

MR. HARMER:—Ranfurley.

MR. EWING:—Mr. Chairman, I think we had better adjourn then.

THE CHAIRMAN:—We generally stay until 12.30.

MR. EWING:—Well, I would like to ask for the next meeting of this Committee at which telephone matters are taken up that James Grierson be called.

MESSRS. MITCHELL and STEWART:—Who is he?

MR. EWING:—He is an ex-employee of the Department of Telephones. (To Mr. Harmer): What position did he occupy, Mr. Harmer? A.—He was Superintendent of Rural Long Distance and Superintendent of Construction. He is not now in the employ.

MR. CRAWFORD:—Is Mr. Edwards in the employ at the present time? A.—Which Mr. Edwards?

Q.—H. Edwards; also Fraser, J. A.?

MR. MITCHELL:—Is this Committee going to decide this now? I want to ask on what grounds? I have no objections but it is a matter of principle. We are investigating now the documents and files of the department and you are entitled to investigate what departmental employees did, but until you get down to something more definite I cannot see what right you have to call outside people—the public. Last year there was a case where we had an engineer called and we were going to set his opinion against one of the best railway engineers who has ever been in the Province of Alberta.

MR. EWING:—I simply submit to this Committee. Here is an ex-employee of this department. We want the right, as a committee, to call him before it not for any purpose as my learned friend suggests—this is an investigation of public accounts and we want the right to call before this committee any employee of the Government for the purpose of examining him on whatever matter of his work while he was an employee. We cannot examine an ex-employee on anything after he ceased to be an employee but we can while he was an employee and there is no ground whatever for refusing to call Mr. Grierson who occupied a responsible position for years in this department.

MR. MITCHELL:—This Committee will have to be given information for what purpose they are to be called here, we wish to know the object of this inquiry. We have been allowing a general investigation but when it comes to bringing in the public I wish to know what is wrong with the administration of the Telephone Department before we act accordingly.

MR. EWING:—We are not calling in the public. We are calling in an employee of this department to examine him as to matters happening when he was employed.

MR. STEWART:—In that connection while we are perfectly willing to give you the fullest information in our power without stating why you wish to call an ex-employee, this

man is not in the employ and you have not in the slightest degree intimated what you are going to bring him here for. There is no objection to bringing employees of this department here before the committee. You can if you will charge that certain individuals while performing their duties have left the employ and made certain statements outside about which you wish to put them on their oath to verify but you have said nothing of that sort. If you wish to question him in a general way, we wish to be courteous and fair but surely it is only reasonable we have some information why an outside man is being called.

MR. EWING:—We are not calling outside men.

MR. STEWART:—Well, that's their object.

MR. EWING:—No, I submit it is not. Is it the contention of this committee that men leaving the department yesterday or about to be examined and they can be dismissed—

MR. STEWART:—I did not make that argument. I said if you make a statement to this committee that you wanted him for a specific purpose then I think it will be the business of this committee to get him here but if you say call James Smith because he was an employee once and we ask what do you want him for, that's our business—that's a point where you and I differ.

MR. EWING:—No, I don't, if we ask him anything but the business of the department I think that would be a very proper objection.

MR. STEWART:—That's not the point you were arguing. You have made no statement of the facts why you wish him.

MR. EWING:—Is it the rule of this Committee that before you call witnesses—if we call Mr. Harmer who is an employee and not say what we have to call him for, then there is being established a difference between an ex-employee and employee.

MR. STEWART:—There is, certainly.

MR. EWING:—But if you call an ex-employee you must name specific things about which he is to be examined. Then to come back to the argument which he says is not an argument, if a man leaves the department he cannot be examined unless you say what you are going to examine him on. The practice which is a violation on the face of it and which can lead (I don't suggest of any possibility of its being true) to all kinds of complications in this inquiry, and plugging of the inquiry.

MR. STEWART:—I object to that sort of argument.

MR. EWING:—I submit that the argument is reasonable. I do not suggest that there was any plugging in connection with this matter but simply insist if the committee is going to establish the rule it does furnish a means of plugging. If the rule is to be established that this committee—if you are going to call an ex-employee to examine him touching matters while he was an employee then you must specifically name matters which you are going to examine him on, then you are establishing a rule towards plugging the committee in investigations they desire to make. This man ceased to be an employee years ago and I only want to examine him concerning matters which he did while he was an employee and I submit there is no proper reason why he should not come before this committee not to examine him on anything outside of his department but on things which he is familiar with at the time he was employed. I submit there is no reason why he should not be called.

MR. MITCHELL:—This investigation has up to the present time been conducted on entirely different lines from what other inquiries have been conducted on. You never hear of any investigation where the whole department is turned over to the Public Accounts Committee to be ransacked from top to bottom but the House is generally acquainted with some specific line of inquiry which that committee is to follow up and specifically states the object of that inquiry. Now, the point arises where you are going to call some outside men and particularly a man who has resigned from the service whether he resigned voluntarily or not I don't know. It is a difficult proposition naturally and if you are going to place yourselves in a position where you can properly call outside men you must indicate to the department concerned the nature of the investigation you intend to pursue before the committee shall allow outside witnesses. This is practically the same thing, or will mean the same thing after the witnesses have been examined, the same thing as an inquiry into a specific charge. That is adopted in any court of law.

MR. EWING:—I think if the committee is going to lay down—

MR. STEWART:—If you wish to call Grierson in connection with a matter—if he is a material witness—

THE CHAIRMAN:—Let him finish, please.

MR. EWING:—Grierson was confined to a particular branch, and I wish to examine him in reference to that. I do not wish to lay any charge and I don't have to but it is not a question whether or not something may come out of it or not come out. Here is a Committee of the Legislature made for the purpose of inquiry in which you are all closely interested. Here is a man who was an employee in a particular sub-department of which department I wish to examine him in regarding that work. Will you say because he is an ex-employee that we won't hear his evidence?

MR. STEWART:—This, I contend, is pursuant with the rule which we have been going on. I have no objections in really calling in the witness or take his evidence as against the evidence already taken. The men in the office are at your beck or call at any time you wish them and you can have them here at a moment's notice but when you commence to get outside of the force employed by the government here we at least should have some informa-

tion as to why you wish this man. We have nothing in the world to hide but you may not want to stop there and may want to bring in other employees of this nature and there are thousands. In my mind you have not touched on construction at all. I am very well aware of the conversation he has carried on, it is not material. It is not going to stop with Grierson if the committee is going to investigate the word of every man. If he has something material to tell and he is going to be a material witness, well and good, or if you wish to examine him in connection with what you have already done. I don't wish to lay down any hard and fast rule or plug investigations in any way but surely it is only reasonable we have some information why we bring in outside people.

THE CHAIRMAN:—I think it is rather unfortunate for Mr. Ewing, that I am presiding as I am absolutely on record at every session this year and last year in the way this committee was conducted. There was a resolution made and adopted here proceeding along the line Mr. Mitchell has just laid out, which resolution—the public accounts committee has been carried on altogether different lines than what this resolution imposed at that first meeting. I think asking for Mr. Grierson and these other gentlemen Edwards and Fraser is carrying out the investigation even further than it was carried out last year and up to the present time further away from the resolution adopted here and getting further away from it from time to time. If the question is to be decided by me—

MR. STEWART:—To be fair to Mr. Ewing I would prefer that the matter be put over until the next meeting.

MR. MITCHELL:—I move we adjourn.

MR. BOYLE:—I was not present when the matter came up. Is there any objection in stating in general why the witness is to be called?

MR. EWING:—No, I propose to examine him with reference to matters of construction during the time he was superintendent of that branch.

MR. BOYLE:—What years were they?

MR. EWING:—1907 to 1914.

MR. MITCHELL:—Might I suggest as it is now 12.30 we meet again Tuesday morning and in the meantime you can think it over, then the whole thing can be thrashed out. We would probably be able to agree on it.

MR. STEWART:—I am not very clear but do not like—

THE CHAIRMAN:—It is 12.30. The Committee better ask for a ruling or move an adjournment.

MR. STEWART:—I move we adjourn until next Tuesday.

MR. TOBIN:—Second the motion.

The Chairman puts the motion and the meeting is adjourned until Tuesday Morning, at ten o'clock, April 4th, 1916.

FRANK WHITESIDE,
Chairman.

MEETING RESUMED AT 10.25 A.M., TUESDAY, 4th APRIL, 1916

The following Members were present: The Hon. Messrs. Mitchell, Gariepy, McNaughton, McArthur, Tobin, Leffingwell, Beaudreau, Campbell (Ponoka), McKay, Moffat, Tweedie, Hoadley, Kemmis, Crawford, Ewing, Blow and Michener. The Hon. Mr. Whiteside presiding:

MR. MITCHELL:—Referring to the request to call Mr. Grierson. At the last meeting I took objections to that, because I thought the men who are not connected with the service now should not be called and examined unless there is something definite before this committee to examine them on. However, I have interviewed the Department of Telephones and the Minister in charge and stated what my objection was and he is anxious to have the fullest examination and would like to have Mr. Grierson called if anyone desires to call him, and in view of that fact I am willing to withdraw my objection I made at that time.

THE CHAIRMAN:—So far as I am concerned I will meet with the wishes of the committee but I don't think it would be wise to establish a precedent although the department and Minister are willing he should be called. This is not a Royal Commission, it is only making inquiry into Public Accounts of each department and while we have the right to call for their records and any persons employed we have had no definite instructions to make any particular inquiry into any particular department as yet and I do not feel like establishing a precedent. If we permit him to be called we may have a request to call somebody else who has set up poles and who has been employed only as a common laborer. If the situation is serious enough, I think the party making application for his appearance better apply to the House. I don't think from the records he has been in the employ for 1½ years and he is in the position of any other employee who has been dismissed. If the member wishes his appearance—feels it is absolutely necessary to establish something, then I would ask him to apply to the House for permission to call Mr. Grierson or anyone else.

MR. MITCHELL:—Of course we can let him be called without establishing a precedent. It might save discussion and save time.

THE CHAIRMAN:—I am willing to leave it to the Committee.

MR. TWEEDIE:—We might want to call others. How about Mr. Smith. He is not—

THE CHAIRMAN:—Mr. Smith is connected with a railroad whose bonds are guaranteed by the Government. They have not finished yet and therefore it is the privilege of this committee to call him.

MR. EWING:—It seems to me the other precedent is much more dangerous that is the practice of calling men who are not in the employ of the Government, we will not call a man if he has any facts the moment he ceases to be an employee of the Government. It seems to me that is a particularly dangerous thing to do. I can understand the objections to outsiders being called and to questions being put to men in connection with matters which come to his knowledge while he was not in the employ of the Government but while a man has had charge of a sub-department of any part of the Government but is not now in charge is no reason why he should not be called before this committee.

MR. MITCHELL:—My statement on Friday was not along the lines of excluding outsiders, it was merely up to the party making application to call a witness to state definitely the lines along which the examination was to be pursued, so that the parties concerned would have some knowledge what was being inquired into. You give that privilege to even a person who is charged with an offence. For that reason I think the department whose work and business is being inquired into should have some knowledge of what is being inquired into and the line of questioning to be followed.

MR. EWING:—In any case this is merely an inquiry. We are not laying a charge against anybody.

MR. MITCHELL:—But it is only fair that that department should know.

MR. EWING:—Why do you draw distinctions between an employee and an ex-employee?

MR. MITCHELL:—I think an employee should be called in on any matter but—

MR. EWING:—Why not an ex-employee?

THE CHAIRMAN:—Because he is at present outside of the lines of inquiry.

MR. EWING:—But he was at the time.

MR. MITCHELL:—I am distinguishing between—take the engineer last year at Red Deer. But this man, as I said before you call him, we want you to indicate along what lines the examination is to proceed. Give the Telephone Department the same right you give a man you are charging in court.

THE CHAIRMAN:—I consider that only Select Committees have the authority to look into special subjects and only then when certain charges have been made. We cannot consider ourselves as a select committee. I would like to get the ruling of the Speaker on this matter, I would like to call the Speaker.

MR. MITCHELL:—We can probably settle that quickly in the House.

MR. TWEEDIE:—The Chairman says he will not call him. I would like to know whether this committee will call him. I move this committee instruct the Chairman to summons Mr. Grierson.

MR. GARIEPY:—I move an amendment that the whole matter be referred to the House.

MR. MITCHELL:—I second that.

(The Chairman puts the motion and the following are in favor of the amendment.):

The Hon. Messrs. Leffingwell, Gariepy, McNaughton, Campbell of Ponoka, Moffat, McKay, Mitchell, Beaudreau.

The following contrary:—The Hon. Messrs. Kemmis, Michener, Ewing, Hoadley, Crawford, Tweedie and Dr. Blow.

The amendment is carried, the Chairman to make application to the House for a ruling on this question, the matter to be brought up that afternoon at the regular session of the House).

MR. W. R. SMITH, of the Edmonton, Dunvegan and British Columbia Railway called:

THE CHAIRMAN:—

Q.—You are still under oath, Mr. Smith? A.—Yes.

MR. TWEEDIE (Examining):—

Q.—Have you brought all the documents covering the construction from McLennan to Peace River Crossing? A.—Not from McLennan, not the sub-contracts. You said you did not want them.

Q.—I said all, if you could not get all, then from Mile 27. Have you the others? A.—Yes, I can get them.

Q.—Who is your first contract with? A.—J. D. McArthur Company. This is not the original signed contract but I swear this is my office copy. You can have the other one, it will follow; this will take its place until it comes. (Exhibit 1, Specification and Form of Tender Central Canada Railway re contract with J. D. McArthur Co. Ltd.).

Q.—What does that cover? A.—Prices and specifications.

Q.—From 26.72? A.—Just grading and bridges, except steel.

Q.—Bridges outside of steel?

Q.—MR. MITCHELL:—Grading and bridging?

Q.—MR. TWEEDIE:—It is to cover maintenance bridge work and everything? A.—Yes.

Q.—Does it include ties? A.—Not ties. There is no middle-man on ties. They are let to the man direct. J. D. McArthur do not make any profit on ties.

Q.—Have you the contract for ties? A.—Yes, several for ties.

Q.—Have you them all? A.—For all we got?

Q.—All contracts? A.—No, we got about 800,000.

Q.—How many ties have you used? A.—Altogether on the two lines?

Q.—No, no. On the Central Alberta Railway? A.—Somewhere about 175,000, I suppose.

Q.—You have contracts covering that line? A.—A great many of them for this line were cut on the Dunvegan as there is no timber on the Central Canada.

Q.—What I wish to get at is, can you give us the cost price of the ties? A.—What I have done is this, I have brought figures, as there has been a good deal of argument about the cost of ties which would be 50 cents. I have brought contracts to give you a fair idea what ties did cost. If you wish I can bring you a contract for another 500,000—

Q.—What I wish to get at is the cost price on the Central Canada Railway. A.—What you have to do to let ties—you have to take ties where they are cut, figure hauling and details, which would be quite a bit of work.

Q.—Then the rails are not included? A.—No.

Q.—Only track laying? A.—I brought some track laying information.

Q.—But no contract? (No answer).

Q.—There is a price per mile for track laying? A.—Yes, \$600.00.

Q.—Now, your sub-contracts cover what? A.—On this, what I have brought?

Q.—Yes? A.—I have Exhibit 2 here which is a contract between the J. D. McArthur Company Ltd. and Timothy & Riley.

Q.—How much does this cover, all that last? A.—Just work from Mile 27 to Peace River, it has it on there—it covers work between the present end of the grade at or about Mile 30 to the east side of Peace River Crossing.

MR. MITCHELL:—Is that what we think of as the south side? A.—Yes, it runs north and south there.

Q.—MR. TWEEDIE:—This is Timothy & Riley's contract? A.—Yes.

Q.—Now the contract between J. D. McArthur Company and the Central Canada—
A.—That is Exhibit 1.

Q.—That's dated 6th April, 1914? A.—Yes.

Q.—Then the contract between Timothy & Riley and J. D. McArthur Company is dated 22nd May, 1915? Now, did Timothy & Riley do all the excavating? A.—All that has been done, yes.

Q.—And filling? A.—Yes, grading.

Q.—What does the grading include? A.—It includes the preparation of the grade on which to lay the steel, taking out cuts and making fills.

Q.—The removal of all earth? A.—Yes. But we have a shovel cutting in there this week which will remove about 150,000 to 200,000 yds. of slush.

Q.—That's all over the track? A.—Yes.

Q.—When did that fall in? A.—It started last fall. It quit when it got so badly frozen that it could not move any more.

Q.—Now, what other work which is not included in Riley & Timothy's contract?
A.—Track laying, telegraph, water stations, all buildings.

Q.—Who did the track laying? A.—J. D. McArthur Company.

Q.—Have you the figures showing the cost of that? A.—I certainly have.

Q.—How was it done—day labor? A.—As far as we are concerned, or J. D. McArthur, I am not particularly interested in the case except I make—

Q.—Does it show you on the time sheets? A.—Yes. I got specific detail of it here when it comes to that I will swear it was not made up for this purpose but for my own information.

Q.—It was what? A.—When I got these costs it was not for any idea of presenting them for this or any other committee.

Q.—When did you get them? A.—The dates all speak for themselves.

Q.—You might let me have them. A.—Yes. Exhibit 3 is contract between Quigley & McPherson and the J. D. McArthur Company.

Q.—Did they do the work? A.—Yes, bridges. I wish to point out in this connection that for instance they have a price for timber placed at \$9.50. The J. D. McArthur Company supplies all material for that—that is we buy the fir and in connection with piles 19c and 15c we supply the piles.

Q.—You sold them to them? A.—No, we paid all stumpage on them, all costs.

MR. MCKAY:—How much will that be to them in figures? A.—I will show where we paid stumpage later on and over-haul as well, from the place where they were cut.

Q.—MR. TWEEDIE:—Do the contracts all set out your arrangements with these people?
A.—Yes, except in material and overhaul, we have to haul them from Mistchea Lake and in some cases they were hauled by team. It says here for over-haul, then the over-haul price, it is probably set in another contract, 15c per ton mile, I think.

Q.—Have you any other contracts? A.—Yes, all on the Canada Central. May I offer these exhibits?

MR. TWEEDIE and THE CHAIRMAN:—A.—Yes.

MR. SMITH:—Exhibit 4 is the final estimate, that is up to that time Timothy & Riley—of the grading quantities on that. There is a copy here, you can check that.

Exhibit 5 is contract for about 80,000 ties between Collins & Crook charging the first price of 36c and 46c. Here are the Way-bills showing 12c freight paid for those ties, here are our details showing we pay 6½c stumpage, another cent to the G.T. for transfer charges which does not include inspection, insurance, overhead charges, hauling in on our line or expenses in connection with going to Victoria and McLennan in connection with these seizures. The practice is—

Q.—MR. TWEEDIE:—Where were they delivered from? A.—From British Columbia.

Q.—How many ties? A.—80,000.

Q.—Where were they used? What year? A.—The date of the contract is right there.

Q.—That has nothing to do with that. A.—I reserve the right to produce—

Q.—That has nothing to do with the railroad we are talking about. A.—My reason for presenting these is that there has been a discussion about the cost of ties. I have here the cost of 80,000 if you wish I can get many more—

Q.—I want the ties used on the Central Canada Railway. A.—You can have those later. We are entitled to present these 80,000.

Q.—I just want you to answer my questions. If you will answer my questions we can get along much faster. I didn't ask you for that.

THE CHAIRMAN:—It is all right, we will take what evidence you have this morning, Mr. Smith.

MR. MITCHELL:—You can complete this evidence and go on with it when you come to that. It shows the cost paid to 63c and there are additional charges in addition. (To the witness). At what rate did you put in your estimates for in connection with drawing your money? A.—MR. SMITH:—50 cents.

Q.—MR. TWEEDIE:—We have not touched that at all. Let's keep on one thing, we will get over it faster. A.—What you are asking is for me to segregate certain charges, which I understand at a rate given on the E.D. & B.C. or delivered there.

Q.—The Central Canada Railway is an independent railway and has a charter of its own? A.—Yes. I have not here my tie inspector's report. He has just returned from about a six weeks' absence but what we have done is we have taken the price of ties at 50c.

Q.—Just answer my question. It is an independent railway? A.—Yes.

Q.—It transacts all business separate from the Edmonton, Dunvegan and British Columbia and the Alberta and Great Waterways Railways? A.—Yes.

Q.—And you have already used a certain number of ties? A.—Yes.

Q.—You said about 175,000. What did this 175,000 cost the company? A.—I cannot tell you to a cent.

MR. MITCHELL:—That has been submitted and we are through with it. If Mr. Tweedie wishes to get evidence on the Central Canada portion, Mr. Smith, when he is able, should give it to him and if Mr. Tweedie asks him for segregated costs or only partial costs or only partially goes into them and leaves a certain amount of the costs untouched I will endeavor to complete that to show the total cost on the Central Canada.

MR. SMITH:—May I produce those documents? A.—THE CHAIRMAN:—Yes.

MR. TWEEDIE:—He might bring the costs of the C.N.R. or the C.P.R. I don't care if the cost is \$1.00 or \$1.50 I want to get at facts.

MR. SMITH:—You will if you allow us to present our tie data. I said they were cut on the Edmonton-Dunvegan, there were some on the Central Canada, I think at Mile 14-20. Conditions forced us to use those for the time being on track laying on the Dunvegan but not enough were cut on the Central Canada to lay the track and I am merely asking to present this on the cost of ties.

Q.—MR. TWEEDIE:—You don't know at present what these ties cost except you know 50 cents is a fair figure for them?

MR. MITCHELL:—That parcel there, ties which were cut in British Columbia, covering a certain number, how many? A.—80,000.

Q.—By itself, to stand complete as one illustration? A.—Yes, I have gone up here on the Lesser Slave Lake and Dunvegan to—

MR. MITCHELL:—He does not want that, he wants the cost for the Central Canada, have you that? A.—No.

Q.—Well, he cannot get that until you get it, that settles that. A.—Our railroad has been stigmatized. I am entitled to show what it has been costing us.

Q.—MR. TWEEDIE:—What other work? A.—Well, I have brought up—may I present this then, here is just a list, I think a list from ground timber of January showing where we actually pay stumpage.

Q.—Just answer my questions. You cannot give us the cost of this. What other work was done by J. D. McArthur Company?

Q.—MR. MITCHELL:—But you can get the cost some time? A.—Yes.

Q.—MR. TWEEDIE:—But at the present time, at the present second you cannot? What other work was done by the J. D. McArthur Company. You have been running a train service up there. A.—But in connection with construction. We got the grade joined to Timothy & Riley's.

Mr. Mitchell in referring to certain documents which have not been allowed in as evidence or exhibits which are going the rounds among the members of the Opposition, says: "Mr. Chairman, until documents are put in as evidence I don't think they should be examined by members of the Committee." The Chair makes a ruling that all papers not in as exhibits shall be returned and placed on the table and the members of the committee shall not examine them until they have been placed in as exhibits.

MR. SMITH:—You don't want to know about the tie costs?

MR. TWEEDIE:—We want to know what they cost, you cannot tell us.

MR. GARIEPY:—He tried to establish the cost but you won't let him because it is 66 cents to start with, you are afraid it won't bear out your contentions.

MR. TWEEDIE:—He said he could not get it.

THE CHAIRMAN:—He said he could not get it this morning.

MR. TWEEDIE:—If you will let me do the talking, Mr. Smith, let me conduct the examination we will get along much faster. What other work was done by the J. D. McArthur Company? A.—Track laying.

Q.—Have you the exact cost of track laying? A.—Parts of it, yes.

Q.—All of it? A.—All but one portion which I will produce.

Q.—Will you be here with all this when this committee meet again? A.—When?

Q.—Will you be able to produce it to the committee and all papers showing the cost of construction of the Alberta Great Waterways, to-morrow at ten o'clock? A.—No, I cannot possibly do it.

Q.—When can you? A.—Not in three weeks, it is absolutely impossible.

Q.—Why? A.—Because the track is now at 202 only.

Q.—You can give us the cost of 202 miles? A.—Well, that does not represent the completed work by a long shot. To get this into intelligent shape I cannot do that.

Q.—Not in three weeks? A.—Well, I might by using the whole office force, but I certainly could not do it.

MR. MITCHELL:—Do we understand what he is to produce—you said cost of what?

MR. TWEEDIE:—Of the whole road from McLennan to Peace River Crossing.

MR. MCKAY:—Grading, ties, track laying, everything?

MR. SMITH:—I didn't mean to interrupt you before but what I have done I have produced the contract between the Railway Company and J. D. McArthur Company and produced the sub-contracts of grading between them and Timothy & Riley and produced bridging contract. I have got the cost of ballast from the pit where we are going to get this which I swear was not gotten up for this committee. I got here what is the cost on the Canada Central of laying track, in two or three cases I have got the ballasting cost.

MR. TWEEDIE:—You cannot tell us what the road actually cost to date? A.—Not to date because the books are not closed.

Q.—As far as you have gone you have the track laid into Peace River? A.—But we have a steam shovel cutting and have from 40 to 60 men working along water stations and all these things are current expenses.

Q.—But as far as you have gone. A.—This is only the fourth of April and for March our books are not closed up. If you wish these things you must give me time. For instance I got the auditor working on one statement and got it just as I was leaving the office this morning.

THE CHAIRMAN:—If you will state definitely what you can produce—

MR. SMITH:—I will bring in to-morrow morning the balance of those sub-contracts to join up with Timothy & Riley.

THE CHAIRMAN to MR. TWEEDIE:—Please state definitely what you wish him to bring.

MR. TWEEDIE:—I cannot state what he has.

THE CHAIRMAN:—How can you expect him to bring them.

MR. MITCHELL:—Let him bring what he can, enough for us to get along with to-morrow, probably what he has is just what you want.

MR. SMITH:—What I want to show I think I am entitled to show the ballast from the ballast pit, what we are getting at is if there is a loss J. D. McArthur must stand it. It is not fair to take these two contracts and say they made just so much in grading.

MR. MITCHELL:—That will be all put in with the other.

The meeting is adjourned at 11 o'clock until 10 o'clock Wednesday, April 5th, 1916—but this was later changed to 10 o'clock a.m., Thursday, April 6th, 1916.

FRANK WHITESIDE,
Chairman.

MEETING RESUMED AT 10.10 A.M., THURSDAY, APRIL 6TH, 1916

The following Members were present: The Honorable Messrs. Mitchell, Boyle, C. Stewart, Turgeon, Boudreau, Tweedie, Kemmis, Crawford, Blow, McColl, McNaughton, McArthur, Smith, Tobin, Leffingwell, Hoadley, Campbell (Rocky Mountain House), Campbell (Ponoka), McKay, Moffatt. The Honorable Mr. Whiteside presiding.

The Chairman calls attention to several important documents having been taken up by the members of the committee, and these documents having disappeared, it has been decided that they will be kept in the Railway Department in charge of Mr. Harvey where they will be locked in the vault and any member wishing to see them may have access to them on application to Mr. Harvey. Mr. Harvey states that the original estimates on the Central Canada of last year and the mortgage of the Central Canada in this year's session have been lost, or at least he cannot locate them. Also the Canadian Northern Mortgage shown last year has disappeared.

THE CHAIRMAN:—I have sent a summons to Mr. Grierson to appear at ten o'clock this morning, but so far as I know he has not shown up. (The following is Summons sent to Mr. Grierson):

SUMMONS TO APPEAR

J. H. GRIERSON, Esq.,
9934—86th Avenue,
City.

YOU ARE HEREBY SUMMONED to appear as witness before the Public Accounts Committee on Thursday morning at ten o'clock in the Committee Room of the Legislative Buildings.

Dated at Edmonton this fourth day of April, 1916.

FRANK WHITESIDE, M.P.P.,
Chairman of Committee.

W. R. Smith, General Manager of the E.D. & B.C. Railway begs leave to correct a misstatement made on Tuesday last. He says: "I made a misstatement here last Tuesday, it was made inadvertently, and as I am under oath I wish to correct it. I stated that all of the Central Canada Track laying had been done by the J. D. McArthur Company. About 20 miles of that had been sub-let to Quigley & McPherson."

MR. TWEEDIE:—Did they do all that? A.—No, just track laying for 20 miles.

DR. J. K. McLENNAN, being duly sworn on the Bible, by the Chairman, testifies as follows: (Mr. Tweedie examining):

Q.—MR. TWEEDIE:—What is your business, Doctor? A.—Doctor by profession and Secretary-Treasurer of these companies.

Q.—What companies? A.—The Central Canada, Edmonton-Dunvegan and British Columbia.

Q.—Have you anything to do with the Alberta Great Waterways? A.—Yes, I am an officer on that too, I was Secretary-Treasurer on that but they switched me over to Vice-President on account of signing plans, etc. I can do it without their being sent to Winnipeg.

Q.—Who is the Secretary-Treasurer? A.—E. W. Campbell of Winnipeg.

Q.—What is his business? A.—Was or is?

Q.—Was? A.—He has been our accountant for a number of years.

Q.—That is in the office of the J. D. McArthur Company? A.—Yes, the company.

Q.—Is that a limited company? A.—Yes, sir.

Q.—Has it any connection with the J. D. McArthur Construction Company? A.—Well, as far as I know it is the same thing.

Q.—That's what you understand by the J. D. McArthur Co.? A.—No, not the construction company we have here and the East.

Q.—Mr. Smith, your engineer, refers to it as the J. D. McArthur Company, the J. D. McArthur Construction Company and we have some documents and contracts. Now when was the new company formed for work? A.—Up here it is different from what we are doing in the East, the Transcontinental and Hudson Bay Railways.

Q.—The J. D. McArthur Construction Company here, does work here in connection with these western roads? The A. & G.W., E.D. & B.C. and Central Canada Railways? A.—Yes.

Q.—Have you any connection with the Northwest Lumber Company? A.—Have I?

Q.—Yes. A.—I am a director.

Q.—Who is Secretary-Treasurer? A.—I think Mr. Campbell is but I am not conversant with it. I don't do any business there.

Q.—Then the National Paving Company—have you anything to do with that? A.—No.

Q.—Now, do you know whether any bonds of the Central Canada Railway Company have been executed by the company? A.—There have.

Q.—For what amount?

Q.—MR. MITCHELL:—By the company, doctor? A.—Well, I am not just clear about that. Bonds have never been sold on the Central Canada.

Q.—MR. TWEEDIE:—Have they ever been hypothecated? A.—Not to my knowledge.

Q.—But you would not would you not, doctor? A.—I just don't understand that.

Q.—Have they been pledged to any bank? A.—No, sir, not to my knowledge, never.

Q.—Does any person hold them as security? A.—Not to my knowledge.

Q.—Have you ever heard any person say? A.—No.

Q.—As a matter of business they have just been prepared and executed by the company and never been sold? A.—No.

Q.—Never been hypothecated? A.—Not to my knowledge.

Q.—Could they be without your knowledge? A.—Well, I suppose they could, yes.

Q.—By whom? A.—Well—

MR. MITCHELL:—If delivery bonds were lost you could hypothecate them.

Q.—MR. TWEEDIE:—No, I hardly think you could. But could any person hypothecate without your knowledge? A.—I expect they could but I don't think they would.

Q.—Who would have the power to do that? A.—I suppose—I cannot say. I don't know enough about the bond business.

Q.—Do you sign them as secretary-treasurer? A.—I think I did, sir, I am not sure, of course the assistant secretary-treasurer could have the power to.

Q.—Who is that? A.—One of the men in the Winnipeg office, Mr. McDougall or Mr. Campbell.

Q.—But you know the bonds do exist? A.—Yes.

Q.—Completed bonds covered by the Central Canada Railway? A.—I don't know about that, I could not say.

Q.—You would not have much to do with that end of it? A.—I really never had much to do with it, our solicitors had to do with that.

Q.—In Winnipeg? A.—Either there or here.

Q.—Who are the solicitors? A.—Short & Cross.

Q.—They used to be Short, Cross, Collins, Sherry & Field? It is now Short & Cross? A.—Yes.

Q.—When did you last see the bonds? A.—Well, I cannot say that I am sure.

Q.—Where are the bonds now? A.—I cannot say that either, it does not come under my province to know these things.

Q.—MR. MITCHELL:—It is not part of your work? A.—No.

Q.—MR. TWEEDIE:—But I should think the secretary-treasurer would know?

MR. MITCHELL:—He has assistants and the main office is in Winnipeg.

Q.—MR. TWEEDIE:—But the head office of this company is in Alberta? A.—Which road?

Q.—Central Canada? A.—Yes, I think it is, the E.D. & B.C. is in Winnipeg.

Q.—Do you remember when you executed those bonds, doctor? A.—Well, I remember the time at which the mortgage went through but don't know whether that is the time or not, and I presume everything was executed at the same time. That is about one year ago in May or June.

Q.—MR. MITCHELL:—You would not be certain whether the bonds were executed or not? A.—No, I don't know, I knew we were unable to sell them.

Q.—You were stating the bonds were executed, you know all other papers were executed? A.—Yes.

Q.—It might turn out those were not bonds? A.—Yes.

Q.—MR. TWEEDIE:—Can you say, doctor, those bonds have not been sold? A.—No, sir, I cannot say.

Q.—I just want to be clear you would not say they had been sold, you would say they had not been pledged? A.—I cannot say that either but I am sure they were neither sold nor pledged.

Q.—Nor hypothecated? A.—Nor hypothecated. I have been away during the winter but am quite sure I would be advised of anything of that kind.

Q.—Now, the Edmonton-Dunvegan bonds, have you sold those? A.—Yes, sir, that is the first 350 miles.

Q.—Have you sold bonds covering the section on Grande Prairie? A.—No, sir, not unless recently.

Q.—Were those bonds executed? A.—Yes, sir.

Q.—Where are those bonds? A.—I cannot say, I am sure.

Q.—Have they been hypothecated? A.—Not to my knowledge.

Q.—Nor pledged? A.—Not to my knowledge.

Q.—MR. MITCHELL:—Which line is that? A.—The Edmonton-Dunvegan & British Columbia, Grande Prairie Branch.

Q.—MR. TWEEDIE:—Of course we know the Alberta Great Waterways bonds have been sold.

A.—MR. MITCHELL:—I think the Chairman will take judicial notice of that.

Q.—MR. TWEEDIE:—How many miles of siding have you on the Alberta Great Waterways up to date? A.—You will have to ask the chief engineer about that.

Q.—Mr. Smith? A.—Yes.

Q.—I suppose you don't take an active part in the construction of the road? A.—No, sir, not any details.

Q.—What are your duties principally? A.—Just hanging around. I sign cheques of all offices and look after the finances generally.

Q.—Now, have you an established freight rate on the Edmonton-Dunvegan? A.—Yes, sir.

Q.—Can you tell me off-hand what the freight rates are to Smith? A.—No, sir, I cannot.

Q.—Have you a printed schedule? A.—Yes.

Q.—Do you charge the same rate both ways? A.—I cannot say we have a traffic manager who looks after that, it is his business.

MR. MITCHELL:—It would not be customary to charge the same rate both ways.

MR. SMITH (of the E.D. & B.C.):—We have a distributing tariff from Edmonton.

MR. TWEEDIE:—It is rather unusual method on railways to charge different rates both ways?

MR. MITCHELL:—How about the C.P.R., you cannot travel west as cheaply as you can east.

Q.—MR. TWEEDIE:—Do you know, doctor, how many timber limits you have on the Alberta Great Waterways? A.—I don't know, we have none just adjacent.

Q.—How many do you tap up there? A.—One.

Q.—Just one? A.—Yes.

Q.—You finished up one last year? A.—Yes.

Q.—Are you working on the same one you worked on last year? A.—No, sir, that was covered last year, about last year.

Q.—Did you have a lease? A.—Yes, sir.

Q.—How much lumber did you take out last year? A.—I think about between 30 and 40 million feet log or scale measure.

Q.—How many feet did you manufacture up here, board measure? A.—Something over 16 million feet; I am just telling you from what they tell me.

Q.—So you don't know much about timber business except what other officials report to you? A.—Well, if I am not in the office they tell me.

Q.—You keep separate accounts I suppose of the different offices? A.—Absolutely.

Q.—Who purchased the bonds of the Edmonton, Dunvegan and British Columbia Railway? A.—Well, I could hardly say. I know the firms through whom they went.

Q.—Who was it? A.—Wood & Gundy.

Q.—They handled the whole issue? A.—As far as we are concerned at least, they were our agents for them.

Q.—Do you know what they netted the company? A.—Somewhere in the neighborhood of 93.

Q.—For \$7,000,000.00? A.—Yes, I think that was it, I have not looked into that for some time.

Q.—MR. MITCHELL:—That's 4½ per cent. bonds? A.—Yes.

That's very good for guaranteed bonds.

Q.—MR. TWEEDIE:—Have you any correspondence here in regard to the sale of the bonds of the Central Canada?

MR. MITCHELL:—With regard to the sale of those I am in a position to make a statement; there have been no Central Canada bonds issued, hypothecated or sold.

MR. TWEEDIE:—Who states that?

MR. MITCHELL:—I state it. He says he knows nothing, in his evidence, so far as he knows nothing has been done with them but he cannot swear to it that it has not been done, I cannot swear to that either but I can say nothing has been done, if that is not satisfactory we can at another meeting get evidence to show definitely they have not been issued at all. The Railway Department is satisfied of that.

Q.—MR. TWEEDIE:—Have any bonds, debentures or securities? A.—No. If it is a fact they were issued, a mortgage which we have, which is a matter of law, would come before any ordinary bonds.

Q.—DR. BLOW:—Have they been bargained for? A.—I don't know, that is a very remote possibility. It is too dangerous work to bargain if they have not been issued or approved.

Q.—MR. TWEEDIE:—You constructed part of the Central Canada east of the Alberta Great Waterways? A.—Yes.

Q.—About sixteen miles? A.—I think about that.

Q.—Who paid for the construction of that? A.—I think the J. D. McArthur Co.

Q.—Was it charged against the Central Canada also? A.—Well, I don't think any charges have gone through. I am not sure as I have been away since last fall. I know from the time I went away there were no transfer charges.

Q.—No money advanced on account of construction by the Central Canada? A.—No, sir.

Q.—Do you know what the cost of those 16 miles was? A.—No, sir, I do not.

Q.—Now, you employ your men do you, to work on the railway construction, the J. D. McArthur Company does? A.—I don't understand that.

Q.—Well, the J. D. McArthur Company employs men to work for them? A.—Surely.

Q.—Does your company keep supplies and stores to sell to the men? A.—The J. D. McArthur Company do.

Q.—And also charge for medical attendance? A.—Yes.

Q.—For transportation to get on to the work? A.—No, sir.

Q.—None at all? A.—No.

Q.—Do you charge them for transportation out? A.—Yes, in some cases.

Q.—If a man worked there all season would you charge him, at the end of the season for transportation out? A.—I don't think so.

Q.—Do you know? A.—Not to my knowledge, I think Mr. Smith can tell you better than I.

Q.—He would be in closer touch?

MR. MITCHELL:—If a man quits without justification would you expect the railway company to haul him out?

MR. TWEEDIE:—No.

Q.—What wages do you pay there? A.—At what time or what work?

Q.—This work?

Q.—THE CHAIRMAN:—Are you in a position to answer that definitely, doctor? A.—No, just in a general way.

Q.—I don't think that is hardly a fair question.

MR. MITCHELL:—There might be a dozen different rates of wages.

Q.—MR. TWEEDIE:—How does the cost of construction on the Alberta Great Waterways compare with the Edmonton-Dunvegan? A.—I don't know that also. This does not come under my province. I cannot say just what the comparison would be.

Q.—Take 350 miles of it.

MR. MITCHELL:—Mr. Tweedie now you are asking for the cost of a road running through two different parts of a country under different circumstances. How could anybody be able to get relative prices of the cost of the two.

MR. TWEEDIE:—I am asking a secretary-treasurer of the company.

A.—THE WITNESS:—Just because I am, I would not have any knowledge of that.

Q.—You are not prepared to answer? A.—No, sir.

Q.—When do you expect the Alberta Great Waterways to be completed? A.—That is another hard one for me to answer, I cannot say. You will have to wait until the snow leaves.

Q.—If the snow never went away it would never be completed? A.—I think Mr. Smith, our engineer, can tell you better.

Q.—When do you expect to have the Edmonton-Dunvegan and British Columbia Railway completed?

THE CHAIRMAN:—Those are not definite questions, when he expects.

MR. MITCHELL:—Of course they are questions of public interest and if he can answer them—

THE CHAIRMAN:—I think Mr. Smith could tell you better.

Q.—MR. TWEEDIE:—I suppose you know when you will get into Grande Prairie, do you? A.—I understand we are in there now.

Q.—Steel laid in there now? A.—Yes, so I hear they drove the golden spike up there.

Q.—That was at Peace River Crossing. I suppose you look after the finances generally of all these companies? A.—All the preparing companies.

Q.—Yes. The Alberta Great Waterways, you are chief financier of that as far as the heavy work goes? A.—Yes.

Q.—How much actual cash did the shareholders pay into the Central Canada Railway Company? A.—Actual cash?

Q.—Yes? A.—I don't know as I am prepared to say that.

Q.—You would have some idea would you not, you see we lent you two millions from the Province, how much did they pay in themselves, actual cash? A.—Well, I cannot answer anything like that.

THE CHAIRMAN:—That would be a matter of record. A.—Yes.

MR. TWEEDIE:—You can produce those records showing the amount of money paid in? A.—Yes, they are in Winnipeg, I took them down last fall.

Q.—Can you give us off-hand, any idea?

THE CHAIRMAN:—I don't think we want off-hand ideas, we are trying to get definite answers on this committee.

MR. TWEEDIE:—How much money was paid by the shareholders into the Edmonton-Dunvegan and British Columbia Railway Company? A.—It is the same there, I have not got any records here.

Q.—Did they pay any? A.—They had to pay in order to qualify, would they not?

Q.—Well, the Alberta Great Waterways, did not they pay the value in? A.—Well, there were no notes in this case.

MR. MITCHELL:—That was a Dominion matter, was it not?

MR. TWEEDIE:—I want to know how much money the company paid in, I just want to know.

Q.—MR. STEWART:—Is it paid-up stock of the company you mean? A.—MR. TWEEDIE:—Yes.

MR. MITCHELL:—The Dominion Government took that charter.

Q.—MR. TWEEDIE (to witness):—Are you prepared to state that's all they paid up? A.—No, sir, I would not.

Q.—How much did the shareholders of the Alberta Great Waterways pay in? A.—That's something I cannot say either.

Q.—Was any money or any share sold for cash?

THE CHAIRMAN:—Are these matters of record? If so you can ask for the production of the books.

MR. TWEEDIE:—He can answer the question, were there any shares sold for cash after the Alberta Great Waterways was taken over by the J. D. McArthur Company and its associates. A.—THE WITNESS:—I don't know what you mean by cash?

Q.—It is money—dollars and cents. A.—I know but—

MR. STEWART:—As a matter of fact, doctor, it would be necessary to comply with your regulations, would it not? A.—Yes, sir, I don't recall what was paid but to qualify whatever it was, was paid up.

Q.—Your records will show that? A.—Yes.

MR. MITCHELL:—You can give instructions to produce the books.

MR. TWEEDIE:—No, I want the books to examine the accounts. Doctor, you say you keep your accounts of your various companies separate and apart from each? A.—Yes, sir.

Q.—There would be no trouble to ascertain the amount of money which actually has been paid in on account of capital of each of the railroads, the Alberta Great Waterways, Edmonton-Dunvegan and Central Canada? A.—No, that could be ascertained.

Q.—If you received \$63,000.00 or \$1,000,000.00 the books would show? A.—Yes.

Q.—If you will get that information we will be glad to receive it. Doctor, did you receive any other monies or guarantees? A.—(Does not answer).

MR. MITCHELL:—I did not say that. I said in connection with a company of this kind if the capital paid in is small, it may be necessary for people interested to show a little responsibility.

MR. TWEEDIE:—To get other people other than the Alberta Great Waterways to shoulder the responsibilities?

MR. MITCHELL:—I did not say that.

Q.—MR. TWEEDIE (to the witness):—Did any other person connected with the company show any responsibility or shoulder any finances of that road? A.—Of whom?

Q.—The company. A.—No, sir. I might say you mentioned before that money was cash. Well, take securities; we have securities but for these things I suppose it is the same as money?

MR. MITCHELL:—That's not what he is driving at, at all. A.—I don't know then what he is driving at.

MR. TWEEDIE:—If you will wait until I get through, Mr. Mitchell, perhaps he will understand.

Q.—Has any person other than a member of the company or the company itself shouldered the responsibility of financing? A.—No.

Q.—Has any person other than the shareholders shouldered the responsibility or finances of the Edmonton-Dunvegan and British Columbia Railway? A.—No, sir.

Q.—Has any person other than shareholders or the company itself shouldered the responsibility of financing the Central Canada? A.—No, sir.

Q.—Can you produce your records? I mean those showing us all monies paid in on account of capital? A.—Yes, sir.

MR. TWEEDIE:—That's all, doctor, this morning.

MR. MITCHELL:—That's a matter of opinion whether these books can be brought. Dr. McLennan can produce a sworn extract giving in detail the specific accounts paid in but don't think it all essential that books be brought from Winnipeg and interfere with the interests of these companies. He can produce a sworn statement.

MR. CHAIRMAN:—I think it only fair to the doctor and the companies that they shall not be put to any especial expense and if Mr. Tweedie will ask for what he actually wants I think it will answer the requirements.

MR. STEWART:—What he wants is the stock sheets.

MR. TWEEDIE:—I want the capital account of money paid into the company.

MR. MITCHELL:—It is understood you have asked for that and we have offered to show the information by extracts.

MR. W. R. SMITH, recalled.

Q.—MR. TWEEDIE:—Have you ascertained the number of ties used from McLennan to Peace River Crossing? A.—No.

Q.—You have not? A.—No.

Q.—That would be impossible? A.—Yes, absolutely.

Q.—How many ties do you use to a mile? A.—They average well over 3,000.

Q.—How do you know they do? A.—Well, it is a mathematical progress, we have issued instructions to use 30 ties to a 23 ft. rail—

Q.—How many rails per mile? A.—I think 190—no, 162.

Q.—Do you use 20 ties to 160 rails? A.—No, use 20 to each rail.

Q.—That would be how many? A.—3200.

Q.—To a mile? A.—Yes. I will say this, there are certain rails running larger and some may run down to 18—

Q.—But there are none have less than 18 ties to a rail and the average is 20? A.—Yes, from 18 to 20.

Q.—How many miles of siding have you on that road? A.—Which road?

Q.—Central Canada? A.—I cannot say without looking it up; we have for different purposes ties and I cannot say exactly—

Q.—Do you know how many miles of siding on the Edmonton-Dunvegan? A.—I can give it to you approximately.

Q.—What is it approximately? A.—I would say probably about 35 miles.

Q.—How many miles siding on the Alberta Great Waterways? A.—That would be a guess also. We have constructed 202 miles. Siding about over 7 miles—I would say about 15 miles at the present time.

Q.—You can give us the exact miles for all these roads? A.—Absolutely, sure.

Q.—Now, have you the invoices covering ties which were delivered for use on the Central Canada? A.—No.

Q.—Don't you keep a record of that? A.—No, I think you will find—for instance on the Central Canada we pulled ties up there all the way from mile 190—

Q.—On the Edmonton-Dunvegan? A.—Yes, we got a few off the Central Canada.

Q.—This road branches off what mile? A.—262.

Q.—How many did you get on the Central Canada? A.—I would say somewhere about (I will not swear to this) 60,000 ties were got there but I won't swear to that.

Q.—All the rest of the ties were gotten on the Edmonton-Dunvegan? A.—Yes.

Q.—Who got them for you? A.—On the Edmonton-Dunvegan?

Q.—No, the Central Canada? A.—We had various men, we had a chap named Boynton, Boynton Bros.

Q.—Have you contracts for all those? A.—I believe we have with Boynton Bros.

Q.—Have you others? A.—I don't remember just who got them that's the only tie contract I have.

Q.—But you can get all those tie contracts for us? A.—Yes, I can produce every contract of every tie cut on our line.

Q.—Let's have those contracts. A.—But it is impossible to segregate those ties. Here is the proposition; we were running short of material and we had to run back to cut ties. We were up against extremely bad weather conditions and we had engines breaking down and it is impossible to say without a great deal of work what ties were used at each spot.

Q.—But as engineer of the railroad you should know to a cent how much the ties cost you? A.—Yes, I think so. But I certainly cannot give you that to-morrow, or the next day.

Q.—You cannot? A.—No.

Q.—Can you produce invoices covering steel? A.—Yes.

Q.—Covering all steel you used on the Central Canada to Peace River? A.—I cannot tell you off-hand. I know I put in requisitions for so much steel for each line also that I keep checking it up to see whether the steel is here. Just exactly the position I am in I cannot say.

Q.—But you can determine to a cent the actual cost? A.—Yes.

Q.—You will produce these invoices? A.—Yes, but they may be in Winnipeg because the invoice goes back. The other day the steel came in without an invoice and when I signed the voucher I wanted all data in connection with it to be attached to the voucher. I shoot them back unless everything is right there.

Q.—I think that's good business; now about freight—do you get any special rates on freight? A.—Yes.

Q.—Material for construction work is hauled by other rates about what percentage of the regular rates? A.—I don't think I have any right to state that.

Q.—Well, it was a greatly reduced rate? A.—Well, we got a reduced rate.

Q.—I suppose you called for tenders? A.—No.

Q.—Competition between the C.N., C.P. and G.T.P.? A.—No.

Q.—But you got the material at reduced rates? A.—Yes.

Q.—Would it be 50 per cent. or a regulation rate other than the tariff rate? A.—Yes.

Q.—Do you remember what rate you paid for hauling rails? A.—Yes, I remember quite well.

Q.—What was it? A.—I refuse to answer that without the consent of the company hauling.

THE CHAIRMAN:—That is only fair.

MR. TWEEDIE:—Now, you had some telephone lines constructed there? A.—Yes.

Q.—How is that constructed? A.—Which line?

Q.—Central Canada? A.—Quigley & McPherson put up the line 20 miles and 30 miles by our own men—that is McArthur Company.

Q.—The rest by the J. D. McArthur Construction Company? A.—Yes.

Q.—Have you their contract? A.—I don't know. I suppose you mean Quigley & McPherson.

MR. STEWART:—Was it the same people who laid the steel that was doing the telephone work?

MR. SMITH:—Yes, in this case it was a matter of expediency. This is simply track laying.

MR. STEWART:—In connection with the information asked Mr. Smith if he has any information of the cost of ties and cost of laying of track is it possible, Mr. Smith, for you to get without too much trouble the cost of other lines, to submit to this committee? A.—I have it right in my pocket.

MR. STEWART:—Well, I would like to have it go in as a matter of record. That is the cost of track laying and cost of steel covering the same period as the period over which this investigation is being held.

MR. TWEEDIE:—I have no objections.

Meeting adjourned 11.10 a.m. until Tuesday morning, April 11th, 1916, at 10 a.m.

FRANK WHITESIDE,
Chairman.

THE MEETING CALLED TO ORDER AT 10.10 A.M., TUESDAY, APRIL 11th, 1916

The following Members were present:—The Hon. Messrs. Mitchell, Boyle, C. Stewart, Gariepy, Turgeon, Boudreau, Tweedie, Kemmis, Crawford, Blow, Michener, McNaughton, McArthur, Tobin, Leffingwell, Hoadley, Campbell (Rocky Mountain House), Campbell (Ponoka), Ewing, MacKay, Moffatt. The Hon. Mr. Whiteside presiding.

MR. J. H. GRIERSON, duly sworn on the Bible, testified as follows:—

MR. EWING, examining:

Q.—You live in Edmonton, Mr. Grierson? A.—Yes.

Q.—You were in the employ of the Alberta Provincial Government, were you not? A.—Yes.

Q.—When did you enter that employ? A.—1st September, 1906.

Q.—What was your occupation actually prior to that? A.—I was with the C.P. Railway Company.

Q.—In what capacity? A.—I was in different capacities, acting as foreman, lineman under construction.

Q.—What do you mean by lineman? A.—Looking after divisions.

Q.—Were you employed in the construction of the telegraphs and telephone lines?

A.—I was for a considerable time, I put up quite a number of lines, looking after trouble, and repairing.

Q.—You did the repairing in connection with the telegraph and telephone lines?

A.—Yes.

Q.—Were you on road construction? Of the telegraph lines? A.—Well, I started with them in 1881 in July and we were under a superintendent that year, there was no foreman.

Q.—I just want to get at whether during these years you were with them you were engaged in the construction of telegraph and telephone lines? A.—A great deal of course they did not have much telephone work. There was a telephone at Banff, not a great deal.

Q.—Now, when you entered the Telephone Department the 1st September, 1906, who was in charge then? A.—Mr. Stocks. There was no department. We were just a stray department.

Q.—Who was the minister under whom Mr. Stocks was the head? A.—Mr. Cushing, I think.

Q.—But who were you actually employed by, as a matter of fact? A.—I was employed by Mr. Stocks although I was elected by the Executive Council.

Q.—Any negotiations were carried on by Mr. Stocks? A.—Yes.

Q.—Now, you continued in the employ until when? A.—Well, I continued in the employ until the end of 1914, that is the last cheque I got.

Q.—Did you resign at that time? A.—No.

Q.—You were dismissed? A.—No.

Q.—What—

MR. MITCHELL:—Don't lead the witness, let him answer.

MR. EWING:—I never heard it suggested that we should not lead a witness here in this committee.

MR. MITCHELL:—But you are examining this witness on a matter which is foreign to the committee, you are trying to get evidence as to whether he was dismissed or resigned voluntarily. This is not the purpose of this investigation.

Q.—MR. EWING (to the witness):—How did you come to leave? A.—I was simply froze out.

Q.—What do you mean by “froze out”? A.—I had nothing to do.

Q.—Why had you nothing to do? A.—I cannot say why I had nothing to do.

Q.—Whose business was it in the ordinary course of events to give you something to do? A.—The deputy.

MR. MITCHELL:—Is this investigation as to how this man happened to be dismissed whether the examining counsel is trying to get evidence for other purposes or whether this is for the investigation of the Telephone Department or how they happened to carry it on. How he happened to leave the service has nothing to do with it.

THE CHAIRMAN:—We scarcely know yet why Mr. Grierson is being called. We were simply requested to allow him to be called. I don't think we have arrived yet at any point to show why he was called.

MR. EWING:—Well, my object will be shown.

Q.—(To the witness):—Was that the only reason you have for saying you left the employ? A.—Yes, the only reason, there was nothing to do.

MR. MITCHELL:—Is this a case in court for wages? Is this an action under the Master & Servants' Act? I submit this witness has no right to be asked these questions. After we have had an investigation of the general conduct of the department, if it becomes necessary to ask these questions, all right, but let us go ahead with good material.

Q.—MR. EWING (to the witness):—Were there any complaints in connection when you handled, were handling the department? A.—Previous to what?

Q.—To the end of 1914? A.—I never heard of any complaints whatever from anyone.

Q.—That is your work in the department in which you were employed was not subject to any complaint by any of your superiors? A.—None whatever.

MR. MITCHELL:—Is this an investigation of Mr. Grierson or the Telephone Department?

THE CHAIRMAN:—It looks like Grierson, I cannot see yet that it is relevant to the subject.

Q.—MR. EWING (to the witness):—Now, what was your particular department, what were your particular duties? A.—Previous to 1912?

Q.—When you commenced in 1906. A.—I was superintendent of construction.

Q.—That is you had charge of construction throughout the Province? A.—Yes, the whole province.

Q.—That is, all the construction in the Province? A.—Yes, rural and long distance lines.

Q.—Now, from whom would you take your instructions? A.—From Mr. Stocks, mostly. There was a time when we had an electrical engineer, from that time I took instructions from him.

Q.—You would take instructions from Mr. Stocks and when the electrical engineer came on you took instructions from him? A.—Yes.

Q.—Did you take instructions from anyone else? A.—Mr. Richards.

Q.—Who is he? A.—Superintendent.

Q.—You would take them from Richards sometimes? A.—Yes, he would give us a line to be completed.

Q.—You would take instructions from no one else? A.—No, not up to 1912.

Q.—That is you never received any from nobody outside of those three men you named? A.—Not real instructions about the work. After 1912 of course it was then a new Deputy Minister, Mr. Harmer.

Q.—After that you took from him? A.—Yes.

Q.—He took charge in 1912? A.—Yes.

Q.—Who was Minister—Cushing was up to 1910, was he? A.—About 1910.

Q.—Who was the next minister? A.—Mr. Sifton, I believe, wasn't it? We did not come very much in contact with the ministers, it was the deputy minister.

Q.—You say you did not come very much—

MR. MITCHELL:—Just a moment, let him answer that question, who was the next minister?

Q.—MR. EWING:—Who was the minister who followed Mr. Cushing? A.—I don't remember now.

THE CHAIRMAN:—Do you mean, Mr. Grierson, that you were an employee of the Telephone Department and do not know the name of the minister? A.—Sure, I don't remember, I didn't have much to do with the minister.

Q.—MR. EWING:—Did you have anything to do with the minister? A.—Yes, sometimes.

Q.—What? A.—I really never had very much to do with them except on one or two occasions—on one occasion, the fact is, on one occasion I had anything to do with the minister.

Q.—What was that? Who was the minister? A.—Mr. Sifton.

Q.—What was the occasion you had anything to do with Mr. Sifton? A.—In regard to building a line between Hardisty and Provost.

Q.—In connection with that particular thing you took instructions from Mr. Sifton, not the deputy? A.—No, the deputy was not home.

Q.—THE CHAIRMAN:—Who was the deputy minister? A.—Mr. Harmer.

Q.—What instructions did the minister give you? A.—I was going up town, I met the minister between the old building and the railroad tracks, the street car tracks; he stopped me and asked if we had a gang at Hardisty. I said no, he said why not, I said I didn't know, he said I want a gang there at once, I said it takes a little time to get a gang and material, he said to do it. I said I would take a gang there this way: I would take a few men, a foreman and material down to start the work up, but they would have to board at the hotel. He told me to go ahead and I did so. That's the only instructions I ever took from the minister.

MR. EWING:—When was this? A.—That was— (refers to a little book).

MR. MITCHELL:—When did you take that memoranda? A.—At the time.

Q.—What year is that book? A.—1912. I went to Hardisty with this gang on the 20th May, 1912. Of course we had no material and Mr. Pearce who was in charge of the work he was called in and he was to get his gang and material there at once.

MR. TURGEON:—Do you mind telling us, Mr. Grierson, how it is you cannot say who the minister was, when you can give us and have in mind such details as a conversation and the particular place, the street, etc., where you happened to meet the Premier? A.—That's the only time I spoke to the minister since he was Premier.

Q.—MR. MITCHELL:—What else does it say in the book? A.—Just left from Stettler to Hardisty?

Q.—MR. EWING:—What date? A.—May 20th, 1912.

Q.—You followed out the minister's instructions? A.—Yes.

Q.—What size gang did you take down? A.—Five men and a foreman, and tools.

Q.—MR. MITCHELL:—Who was in charge of the gang? A.—Mr. Edwards.

Q.—You said Mr. Pearce was. A.—He was in charge of construction.

Q.—Did you take instructions from Mr. Pearce? A.—No.

Q.—Did you take any from Mr. Richards? A.—Richards? Mr. Sifton asked me to have Richards to come down and see him, he went and said: You go ahead.

Q.—Mr. Richards gave you those instructions? A.—Yes. He said: yes, you do as Mr. Sifton wants.

Q.—MR. EWING:—You took the gang down to Hardisty? A.—Yes.

Q.—What did this gang do at Hardisty? A.—Dug holes.

Q.—For what? A.—Telephone line.

Q.—Had you material there for the construction of the line? A.—Not at that time, only the poles. The material was to follow right away?

Q.—Did it? A.—No.

Q.—How long before the material got there? A.—Well, (refers to book), I went down to Hardisty on the 17th of June, I got a gang of only 30 men and got a team of horses there and no material had arrived.

Q.—A gang of 30 men? A.—Yes, and probably more.

Q.—When did the material arrive? A.—While I was there again on the 16th July; I drove out and there was some wire and cross-arms there, the foreman wanted to pass in he said: "I would not stop with an outfit like this, I want a pass out of this place." I went in and made out a requisition for 25 miles of material. I came into the office and called Mr. Richards up and told him how things were and to go down to the stores and stay there until he could get it out.

Q.—You told him how things were? A.—Yes. The men were there practically without anything to do.

Q.—How long? A.—From the first day; May 20th.

Q.—You were putting some poles up?

Q.—THE CHAIRMAN:—Where were you between those dates, May 20 and July 16?

A.—I was between places, at different places in the Province offsetting gangs.

Q.—You were superintendent of construction? A.—No.

Q.—Superintendent of telephones? A.—No.

Q.—What was your title? A.—I had none, I used to go out on occasions looking over new locations for lines and such-like.

Q.—MR. TURGEON:—Had you any particular work? A.—My former title was taken away.

Q.—What was that? A.—Superintendent of construction. The title wasn't taken from me but the work.

Q.—MR. EWING:—I understand from the 20th of May until 17th of June there was a gang there consisting of about five men? A.—No.

Q.—How many? A.—The gang I took was five men down and the rest or remainder followed closely after.

Q.—Amounting in all to about 30 men? A.—Yes.

Q.—And material except cross-arms and poles had not arrived on 16th July? A.—I think gave you the 17th.

Q.—At the time you undertook to order material and told Mr. Richards how things were, that was the 16th of July? A.—Yes.

Q.—THE CHAIRMAN:—You say you were not superintendent of construction, active superintendent, is that right? A.—No.

Q.—How was it Mr. Sifton and Mr. Richards would give you instructions regarding construction? A.—It was given me.

Q.—Would that not naturally follow if you were superintendent? A.—No, he placed that one item in my hands. I don't know, he might have thought I was superintendent at the time. I wasn't, I had nothing to do with it.

Q.—MR. STEWART:—When did you cease to be superintendent? A.—I ceased to be superintendent when Mr. Harmer took charge.

Q.—Were you notified? A.—No.

Q.—How do you know? A.—Because my work was taken from me.

Q.—I don't know that that is evidence. A.—My work was taken from me.

Q.—On what authority do you say you ceased to be superintendent? A.—In 1912 Mr. Harmer took over Deputy Minister and re-organized the Province.

Q.—MR. TURGEON:—What month of 1912? A.—Fore part, I don't remember. It was when Mr. Harmer was appointed.

Q.—What date? A.—I cannot tell you.

Q.—The point I cannot grasp, Mr. Grierson, I never met you before, but it strikes me funny when it comes to going back to questions as to when you lost your title of superintendent you cannot remember but you can remember a conversation you had with the Premier and point out the street where you met him. When was it? A.—I cannot tell you.

Q.—That's an important thing, Mr. Chairman, he said he lost his position, then he should be able to remember when he did that. Was that prior to May 20th?

A.—THE WITNESS:—When it was taken from me, yes. I still hold the title superintendent of telephones, I never was dismissed and never resigned and I still hold the title superintendent of telephones until your Executive Council throws me out.

Q.—MR. STEWART:—The point we want to fix is, you say in your evidence in one case you were not superintendent subsequent to 1912, now you say you are still superintendent. A.—As far as the work goes.

MR. EWING:—I think the witness has made clear what he means, there is no use cavilling, the time is passing.

MR. STEWART:—Then please say what he means. It is not clear to me.

MR. EWING:—I think it is clear to the other members of the committee.

THE CHAIRMAN:—It is not clear in the evidence.

MR. STEWART:—On the 20th of May there is a certain transaction takes place—this committee is investigating this man's statement. He does not know whether he was superintendent, he does not know what position he occupied. Now he says he has never been dismissed and is still superintendent. If this committee understands that, I don't.

THE WITNESS:—I have not drawn pay since 1914.

THE CHAIRMAN:—What led you to believe you were not superintendent of construction prior to May 1912? A.—It was the re-construction of the whole thing. I had charge of the construction of the Province of rural and long distance; when Mr. Harmer took his position—when was that? He took and cut the Province up into different districts; there was one around Lacombe, I think there were two in Calgary, one in Lethbridge. There was construction men had charge of the construction in each one of these districts.

Q.—MR. STEWART:—What title would that man bear, the man you speak of? A.—I think they were called plant chiefs.

Q.—Not superintendent of construction? A.—No.

Q.—Were your duties confined to one of those areas? A.—No.

Q.—Still over the whole Province? A.—I was looking out for the line and such like, I had nothing to do with the construction.

Q.—Then your duties changed at that time? A.—Yes, those were all under W. R. Pearce.

Q.—MR. MITCHELL:—What were your duties? A.—Mr. Pearce was under Mr. Harmer.

Q.—Where did you come in? A.—I came in on the outside.

Q.—MR. EWING:—You say there were poles and cross-arms there? A.—That was the second time I went down.

Q.—The second time? A.—Yes, nothing but poles the first time.

Q.—You went down three times; down May 20th, back June 17th, back the third time July 17th.

Q.—MR. MITCHELL:—In June you say you had no material, there was none? A.—There was no material for the men, but the poles were always there.

Q.—MR. TURGEON:—Had you nothing to do with the material? A.—I called up Mr. Pearce.

Q.—No, but your duties, did they cover storage and material? A.—No, I had no duties whatever.

Q.—THE CHAIRMAN:—You say you had no duties whatever? A.—I don't know what they were. I went out to pick up a line, I had nothing to do with construction.

Q.—MR. STEWART:—That's a peculiar statement to make, if it is going into the evidence.

Did not somebody tell you where to go? A.—Mr. Harmer, he would tell me sometimes to go out and pick up a line or outside of construction.

Q.—MR. TURGEON:—Who advised you of the change?

Q.—MR. STEWART:—You were sent out by some official of the department; on several occasions you went out? A.—Well, practically I was.

MR. STEWART:—That's all I want.

Q.—MR. EWING:—When did the cross-arms arrive for this particular piece of line? A.—There is a great many cross-arms there the second time there was cross-arms and wire.

Q.—What is the practice with reference to putting on cross-arms? A.—Putting them on on the ground.

Q.—Why? A.—You can do it cheaper.

Q.—That is, I presume, you avoid the time and expense of equipping the poles to put them on in the air? A.—Yes.

Q.—What were these men doing between May 20th and June 17th when you were down the second time? A.—Well, they put in some poles and dug some holes.

Q.—Were the cross-arms on the poles then? A.—No, they had no material to put them on with.

Q.—When you went down on June 17th there were some there then and some wire? A.—Yes.

Q.—But not sufficient for the work? A.—There might have been wire and cross-arms sufficient for the work but no material to put them on with.

Q.—What did you want? A.—We lacked screws, tie pins, insulators, guide rods, ground rods and several other little things.

Q.—THE CHAIRMAN:—That was the material that was lacking? A.—Yes.

Q.—MR. EWING:—When you came back on the 16th July, practically a month later was this material still lacking? A.—The 16th of July?

Q.—Yes, that's the time you called up Mr. Richards. A.—Yes, I called him up and made out a requisition for 25 miles and gave him the requisition and told him to go down and stay there until it was filled and get it out to us.

Q.—THE CHAIRMAN:—Give us that date. A.—16th of July.

Q.—MR. TURGEON:—Was Richards under you? A.—No, he wasn't under me.

Q.—How could you instruct him then? A.—If I could not get anyone else I would call up Mr. Sifton.

MR. MITCHELL:—It means Mr. Grierson would not recognize his superior officers.

Q.—MR. EWING:—You found what the situation was and phoned him? A.—I called Richards up and told him, but first I called Pearce up.

Q.—MR. STEWART:—Did you consider yourself in charge of the line? A.—No, I did not.

Q.—Why were you there then? A.—I went down to pick up the line east of there, there was a change in the line ten miles east.

Q.—You were not in charge yet your evidence states you phoned Richards to go to some depot and stay there until the supplies got out. A.—I told him how things were and to stay there—

Q.—If you were not in charge on the ground, who was? A.—Well, the foreman.

Q.—Then you were not in charge? A.—No, I wasn't.

Q.—Then you give evidence you did that which was not in your control?

THE CHAIRMAN:—He said he wasn't in charge.

THE WITNESS:—No, I wasn't in charge, I telephoned that in.

Q.—THE CHAIRMAN:—Then you butted into something you had no business to? A.—No, I cannot say that.

Q.—MR. STEWART:—It is rather strange he superintends the crew, he visits them and puts them to work on 20th of May and visits them again June 17th and I, as a member of this committee, supposed he was in charge.

A.—THE WITNESS:—I was a roust-about.

Q.—MR. EWING:—What did you report to Mr. Richards at that time? A.—I told him how the gang was.

Q.—How was the gang? A.—They had nothing but poles and cross-arms and wire.

Q.—There was a gang of 30 men, they had been there a month and had no material to get along with?

Q.—MR. MITCHELL:—But they were at work digging holes? A.—You take 30 men in a country like that where it is pure sand you know a man can put down ten holes per day without trouble.

Q.—MR. TURGEON:—You brought five men down the 20th of May, and in June there were 30 men, did you send the balance down? A.—No, I had nothing to do with sending the men; after I did as Mr. Sifton told me.

Q.—Were you sent down on the 17th June? A.—Yes, I guess I was, I went down on some road work.

Q.—Did you go down yourself or go for looking after the gang? A.—I was sort of a roustabout.

Q.—MR. EWING:—How long after you took the five men down was the gang increased to 30? A.—I cannot tell you, if you got the foreman—

Q.—Who was the foreman? A.—Herman Edwards.

MR. MITCHELL:—The pay sheets will tell you what work was done.

A.—THE WITNESS:—No the weekly reports.

Q.—Whose weekly reports, yours? A.—No.

Q.—MR. EWING:—What were these men doing from the time they got there some time after the 20th of May until 16th of July, the balance of the 30 men? A.—I cannot say.

Q.—Was there any reasonable work that they could do? A.—No, there was not at that time a week's work.

Q.—MR. STEWART:—Are you swearing to that? A.—No, to the best of my knowledge.

Q.—You are not swearing to that? A.—No.

Q.—MR. EWING:—What do you mean you would not swear to that? A.—I figure there was not a week's work there.

Q.—With your knowledge of construction at that time there was not a week's work? A.—No.

Q.—MR. CRAWFORD:—Regarding the stock of tools they had, were they equipped with tools? A.—Yes, they had tools enough the second time I went down.

Q.—MR. CRAWFORD:—That was in July, what about June? A.—No June, the whole camp.

Q.—MR. MITCHELL:—In this particular point, what could have prevented them from setting the whole pole line, what prevented them from going on with the work? A.—Well, they must move backwards and forwards.

Q.—Is not that better than doing nothing? A.—No, I would just lie there and wait if I was foreman.

Q.—MR. EWING:—Why would you just lie around and wait? A.—You take poles in a country like that where there is pure sand, you are just as far ahead to stay there and wait for material as if you put the poles in and cross-arms and string your wire and do your pole work later.

Q.—MR. MITCHELL:—Would it not be a help to have the poles up? A.—Very little, in a sandy country digging holes is practically nothing.

Q.—MR. EWING:—When is it best to put the cross-arms in on the ground or put them on in the air? A.—It would take three times as much time in the air as on the ground on a 5 ft. pole.

Q.—Were there cross-arms put on on this line? A.—Which?

Q.—In this particular line? A.—They had put up poles but they had to cross-arm them when up.

Q.—Do you know when this line was completed, that particular portion of the line? A.—Through to Provost?

Q.—Yes. A.—That season.

Q.—How long after July 17th? A.—I cannot say exactly that was the last trip I made on that line.

Q.—THE CHAIRMAN:—How do you know it was completed if that was your last trip? A.—The foreman told me, he came in and said it was worked through.

Q.—MR. EWING:—Can you give me any estimate of the difference between the actual cost of that line and what it would have cost had the full gang and material been there and complete material been there on the 20th of May?

MR. MITCHELL:—Now, Mr. Chairman, I—

THE CHAIRMAN:—Let the witness answer.

A.—THE WITNESS:—I cannot say, there was about a week's work there you could strike that work off from the time they were laying there and you would get the difference.

Q.—MR. EWING:—You subtract the difference. If you subtract from the time they were there one week's work, the balance would be lost? A.—Yes.

MR. STEWART:—I would like to ask if he is prepared to swear to that?

MR. EWING:—To which?

MR. STEWART:—What he just said. The point I raise is this, is this for the purpose of evidence?

MR. TURGEON:—He is under oath.

MR. STEWART:—Yes, I know, I want yes or no. This sort of guessing does not go because this evidence is for the purpose of using for some other time. I want the witness to say whether he is prepared to say yes or no.

THE WITNESS:—I am not going to swear. I believe I could do it with a gang.

MR. STEWART:—Then your answer is no.

THE WITNESS:—I am not going to give any answer, yes or no.

Q.—MR. STEWART:—Would you swear you could do it in two weeks? A.—Yes, I would.

Q.—MR. MITCHELL:—How long did they lay around there without anything to do, when did they start up the rural work? A.—When that material went down—about one week after, it takes from 4 days to 1 week to get stuff down to that country.

Q.—One week after what? A.—After I called up Richards and requisition was sent in on the 18th of July, it takes a few days to get in. They cannot really get material before the 24th of July.

MR. STEWART:—I may be wrong but I believe the witness stated formerly that there were cross-arms there on the 16th of June?

MR. EWING:—Yes, I understood there were.

Q.—(To the witness):—You had nothing to do with the distribution of poles? A.—No, not at that time.

Q.—Had you at any time in your duties while you were in the employ of the government? A.—Yes I had, in fact I had the whole material at Banff, I got the distribution of all lines between here and Lloydminster, Wetaskiwin to Daysland. The first few years I was with them I had the distribution of all material.

Q.—Did you have the distribution at that time? A.—Which time?

Q.—1912. A.—No, nothing at all to do with it, thank goodness.

Q.—Then in your experience of telephone construction what is the proper method of distributing poles? A.—You distribute all material according to mileage you intend to build that was always my object in view.

Q.—When would you distribute it? A.—I would distribute it according to construction, I would always watch to have poles and material ahead of the gang. In the winter-time if you are going to build a line between here and Lloydminster you distribute poles out to different places where they would be required.

Q.—How long before? A.—It is hard to tell a reasonable time.

Q.—MR. MITCHELL:—Is not that practice adopted in the department? A.—Yes, previous to 1912.

Q.—You don't know anything about it since? A.—No.

Q.—How about that? A.—What?

Q.—You don't know that is the practice now? A.—No.

Q.—MR. EWING:—What is the effect on poles of leaving them lying on the ground for years?

THE CHAIRMAN:—How many years?

Q.—MR. EWING:—Say two or three years?

A.—THE WITNESS:—I think it would have same effect as a reset pole, that is a pole which has been in for a length of time and reset again, the life would be dried out of it.

Q.—I mean do poles deteriorate from lying on the ground or in piles for a considerable time? A.—It is generally thought so by many construction men.

Q.—MR. MITCHELL:—How long before they deteriorate? A.—Well—

Q.—You say it is deteriorating to poles to have them lie in piles or on the ground, you give that as your expert opinion? A.—Yes.

Q.—If anybody else said on the contrary it improved them and they were more suitable after having lain there some time—they are wrong, you would swear they are wrong? A.—If a construction man would say that they are improved I would say he did not know anything about construction.

Q.—Have you ever heard construction men complain that they were not lying down long enough? A.—No.

Q.—MR. EWING:—In your experience as a telephone and telegraph construction expert you would say that poles deteriorate if they are left a few years lying on the ground? A.—I certainly would.

Q.—Now, during the time you had to do with construction, were poles left lying on the ground any length of time? A.—I don't think they were, we never had very many poles there.

Q.—MR. MITCHELL:—Is it not better to have them put in when seasoned than when they are green? Is there no difference as to the action of the earth to— A.—Now, you are getting to my opinion of poles. A tamarack pole I believe that if it is cut in the winter time and put in the same season it is cut, I believe will last longer than a cedar pole of the same size.

Q.—MR. STEWART:—How about if it is dried and seasoned? A.—If it has been too long lying in the country it is in my opinion pretty good wood for the farmer.

Q.—MR. MITCHELL:—Is it pretty good wood for telephone poles? A.—No.

Q.—MR. STEWART:—You mean poles in piles? A.—Yes.

Q.—That is your opinion, you give that as your opinion? A.—Yes.

Q.—MR. MACKAY:—Is your opinion based on your actual experience, of what you know? Have you seen piles of poles piled for seasoning and used them? A.—I took dry poles as well as green poles.

Q.—I want your opinion. I want to know if your opinion is based on what you actually know of piled poles. Has your experience been with them? A.—I never saw any when with the company.

Q.—Then your opinion is not based on experience? A.—No, not on that point.

Q.—MR. EWING:—How long were you with the Canadian Pacific Railway? A.—I was with the Canadian Pacific Railway 25 years and two months.

Q.—Did they ever leave poles lying around? A.—No.

Q.—Did the C.P.R. ever have them in piles? A.—Well, the C.P.R. they generally built along other lines and the poles as a general rule came from where they were loaded and we distributed them off the cars to where we built the lines.

Q.—MR. STEWART:—Do you mean to say the Canadian Pacific Railway never had poles or material in a yard where poles were piled? A.—I don't say that.

Q.—You said your experience with the C.P.R.— A.—Probably they brought the material in and had yards at the end of construction and threw off the poles there.

Q.—Do you mean to say none of these poles were ever used, never any supply of poles in the C.P.R.? A.—I don't know anything about outside of construction yards.

Q.—MR. MITCHELL:—You have used poles in provincial work which were cut in the previous season and some the season before that, were there not many left over? A.—Not very many; you take Banff line, I don't think there were two poles over and from here to Hardisty there were no poles over.

THE CHAIRMAN:—He said he did not speak from experience.

Q.—MR. EWING:—What lines had you to do with in construction—just give us the number of lines? A.—Which?

Q.—Those you looked after the construction of in the Province? A.—I have not that book with me, but can give you every pole and line.

Q.—Tell me some of the lines you built?

MR. MITCHELL:—Your reports to the department will show, most likely.

THE WITNESS:—There were so many lines.

Q.—MR. EWING:—Can you tell me? A.—Banff, Calgary to Banff.

Q.—What other lines? A.—From here to Lloydminster, Lacombe to Stettler.

Q.—MR. MITCHELL:—In what capacity did you act during these lines? A.—Superintendent of construction.

Q.—What other lines? A.—Macleod west and other lines, there were 125,000 poles put in in my time.

Q.—Did you build a line from Camrose to Kingman? A.—No, that was built in 1912.

Q.—Who was superintendent of construction there? A.—It was under Mr. Pearce and a plant engineer.

Q.—He was plant manager of that district? A.—Yes, or whatever you call him.

Q.—Did you see that line during construction? A.—Yes.

Q.—MR. MITCHELL:—In what capacity did you see that? A.—I told you I had no capacity.

Q.—Why did you see it? A.—I saw it.

Q.—Why were you out there? A.—I had picked that line out.

Q.—Why were you out there, who asked you to go? A.—I was always sent out by Mr. Harmer, I don't know in what capacity.

Q.—Why did you go? A.—Because I was sent out.

Q.—You were on regular duty? A.—Yes.

Q.—MR. MACKAY:—You don't know what position you occupied? A.—At that time, no.

Q.—Did you occupy any? A.—I don't know.

Q.—You had no position so far as you know but were sent out by Mr. Harmer? A.—Yes.

MR. MITCHELL:—He did not say that?

Q.—MR. GARIEPY:—Were you sent out by Mr. Harmer? A.—Yes.

Q.—MR. MITCHELL:—Did anybody else besides Mr. Harmer give you instructions about inspecting? A.—No.

Q.—How about Mr. Pearce? A.—No, I would not take any from him.

Q.—And Mr. Pearce was what? What was his position? A.—I don't—

Q.—What was his official position with the department? A.—He was plant chief.

Q.—And he was a superior officer to you? A.—I didn't think he was.

Q.—But what did the department think? A.—I don't know.

Q.—And you didn't care?

Q.—MR. EWING:—At what time of the year was this line Camrose to Kingman constructed? A.—In the general construction time, the summer time.

Q.—Now, you described to us the Hardisty-Provost line. You told us how the men were unable to get along because of lack of material, did you notice anything in connection with this line?

Q.—MR. MITCHELL:—Did you ever find out why the material was so long being delivered to the Hardisty line?

THE CHAIRMAN:—Why not let him answer the last question of Mr. Ewing, Mr. Mitchell?

Q.—MR. EWING:—From Camrose to Kingman there was a gang out there—Did you notice anything in connection with this line from Camrose to Kingman? A.—There was a gang out there, I was out there, I looked over his blue prints and find out how long he was there. I said: "Are you never going to get out?" and he said they were waiting for—they were waiting for insulators.

Q.—How many of the gang were there? A.—Regular gang, about 30 men.

Q.—How long had they been waiting for insulators? A.—He told me: "I should get out six weeks ago but have been held up, I could not get material."

Q.—Who was this man? A.—The foreman.

Q.—Do you know his name? A.—I would just as soon not give his name, he is working for the Government.

Q.—MR. MITCHELL:—You do know his name? A.—Yes, I know his name.

Q.—MR. EWING:—When you saw him he should have gone out of there six weeks ago?

MR. MITCHELL:—We may just as well have this man's name.

THE WITNESS:—It was Hutton. (Mr. Harmer says this man is Hotten).

Q.—MR. MITCHELL:—He was foreman of construction? A.—Yes.

Q.—You know him? A.—Yes.

Q.—Do you know him well, is he any relation or connection? A.—Yes.

Q.—What? A.—He is a nephew of mine, you knew he was?

Q.—MR. EWING:—Mr. Hotten, what did he say? A.—He told me I should have been out of here six weeks ago but I have been lying here until I am sick and tired of waiting for material.

Q.—When he said "being out of here" he meant completed the work there? A.—Yes, on to some other job.

Q.—What were these insulators worth a-piece? (Question ruled out).

Q.—How many were lacking did you say? A.—Something over 1,000.

Q.—What part do the insulators play in the construction? A.—The wires are tied on to the insulators for connection.

Q.—That is, the wires cannot be strung without the insulators. A.—No. They can be strung, but they don't generally do it.

Q.—What is the distance between Camrose and Kingman, roughly? A.—Twenty miles, about.

Q.—Do you know when the line was completed? A.—No, I cannot give you anything on that.

Q.—How many times did you see the line in the process of construction? A.—I was only through there once.

Q.—You don't know, then, anything about when the insulators arrived? A.—They arrived shortly after I went down, I called up about them myself.

Q.—After you were told this by Hotten you did something in connection with it? A.—Yes, I called up the office.

Q.—You called up the office about them by telephone? A.—Yes.

Q.—To get insulators?

Q.—MR. MITCHELL:—Whom did you call? A.—I don't remember.

Q.—When was this? A.—(Refers to book), August 2, 1912.

Q.—Do you know they were eventually sent down, the insulators? A.—Yes, or the line would not be finished.

Q.—You don't know how they went, by freight or express, you don't know whether there were any in stock— A.—They had lots in stock.

Q.—Will you swear to that, they had insulators in stock in Edmonton at the time you sent that message in? A.—Well, now, no, I won't swear.

Q.—That shows the disposition of this witness. You won't swear? A.—No.

Q.—You don't know whether they were shipped by freight or express? A.—No.

Q.—MR. EWING:—You don't know how long it was after you sent the information that the insulators were actually sent? A.—No.

Q.—So the loss of time would not only be six weeks which he said he had already lost but it would be the time additional time from the time you sent in the requisition and the time the insulators were actually sent? A.—Yes.

Q.—You don't know how long that was? A.—No.

Q.—MR. MITCHELL:—He said there were insulators in stock, then he said he won't swear there were.

Q.—MR. STEWART:—You were only once on the line between Camrose and Kingman? A.—Yes, I think that's all.

Q.—What were you doing on that trip? A.—I was sent out.

Q.—You admitted that, but what were you doing? A.—Went around the gang to see what they were doing.

Q.—You were out there to see after the gang? A.—Yes, to see what they were doing.

Q.—You were sent out to see what the gang were doing? A.—Yes.

Q.—Did you not lay out the line? A.—Yes, across from Kingman to Tofield.

Q.—That would be two trips you were on that particular line? A.—I followed the road allowances.

Q.—And went again on another occasion to see what the gang were doing? A.—Yes, I might have been sent out on that occasion.

Q.—Yes. Were the poles distributed for this gang between Camrose and Kingman, were there plenty of poles? A.—Yes.

Q.—From the time the gang was there and previous to their going? A.—Yes.

Q.—And they had every class of material except insulators? A.—Yes, they finished up, in fact they had more material.

Q.—What I want to bring out, they were only short of insulators? A.—Yes, at the time everything was done on the line except insulating and stringing the wires.

Q.—They would require insulators before they strung the wires? A.—Yes.

Q.—In this particular case between Camrose and Kingman they put in the poles but

not the cross-arms and completed the line except for wires and insulators and went back over to put it on? A.—Yes.

Q.—But you considered that bad business? A.—Which?

Q.—Going back over the line putting on the cross-arms? A.—Yes, it is time wasted.

Q.—That's the point in the other case. Going back to the Hardisty line, you believe it were better for the crew to be idle than going on with the construction of the line? A.—Yes.

Q.—Why pursue a different course in this case? A.—It is all double work.

Q.—But in this case there was another course pursued? They went from Kingman to Camrose. In the other case you say they laid idle they did not put in the poles. A.—Between Camrose and Kingman they went on and did the work as they got the material but when I got there they had that part of the line all finished except putting on the insulators.

Q.—Exactly, between Camrose and Kingman there was no delay with the crew with connection of cross-arms and poles, the exception being the wire was not put on, there was no delay up to that time. A.—Sure there was.

Q.—What was it? A.—That's what the foreman told me as well as a dozen others.

Q.—Your evidence is you have no knowledge this crew was held up. A.—That's what I was told.

Q.—That's what the foreman told you? A.—Yes.

Q.—Your evidence is they were only held up for insulators. A.—No, no. It was held up right through.

Q.—Then this crew was waiting—they went over 20 miles of line, put in the poles, put on the cross-arms and had everything prepared to receive the wires except the insulators were not on, is that correct? A.—Yes, everything except the insulators.

Q.—What were they waiting for? A.—At the time I was there?

Q.—No, you say they were held up, you first state the material was there except the insulators, now we know they cannot put on the wire without insulators, what were they held up for? A.—Other parts of materials, they were building a rural line as well as stringing that wire through from Camrose to Kingman. That gang just cross-armed and strung wires, but they had the rural lines done, they strung copper wire on it.

Q.—Did they or did they not put in poles and cross-arms between Camrose and Kingman for 20 miles that year? A.—No.

Q.—MR. MITCHELL:—What were they waiting for? A.—Other poles.

Q.—They were engaged in rural work? A.—Yes.

Q.—Were they delayed on that? A.—Yes.

Q.—What was the delay? A.—That's what the foreman gave me.

Q.—You don't know then? A.—No.

Q.—Do you know anything about the erection of the poles and digging of holes in connection with the Camrose-Kingman line? A.—The poles were put in in 1911.

Q.—You are not making any complaint about that now? A.—No.

Q.—And when these 30 men came to this line—did they send 30 men there to put on the insulators and string the wires? A.—They strung the wire through and built rural lines.

Q.—How long did they wait before they got the insulators, what were they doing in the meantime from the time they arrived there until the insulators came? A.—They were building rural lines outside.

Q.—Yes, they were busy then? A.—Yes.

Q.—Then what time was wasted? A.—There was waste between Kingman and Camrose line.

Q.—But they were working on something else, the time was not wasted entirely? A.—It was wasted on the rural line.

Q.—How? A.—No material.

Q.—What kind? A.—I suppose all kinds.

Q.—THE CHAIRMAN:—Do you know what kind, Mr. Grierson? A.—No, I don't know.

Q.—MR. MITCHELL:—Are you prepared to swear to this pole line from Camrose to Kingman was built in 1911? A.—The pole line?

Q.—Yes, you said you set the poles in 1911. Tell us, did not this same crew build that line in 1912? A.—I think if you look up the records you will find it was built in 1911.

Q.—You will swear to that? A.—No.

Q.—You come here and are giving evidence regarding an unwarranted delay on the Camrose-Kingman line, you are expected to know something about it. We want your evidence. Did these men do anything except string wires up on insulators or was the work done the previous year and did they have charge of putting up the poles in 1912? A.—I think you will find the line was built in 1912 between Camrose and Kingman but the wire was not strung.

MR. MITCHELL:—My information is to the contrary.

Q.—MR. STEWART:—Any wires strung in 1911 on that line or just the poles put in the Camrose-Kingman line? A.—There was work run out north of Camrose to Kingman.

Q.—In 1911? A.—Yes.

Q.—Was the wire put on? A.—There were rural lines.

MR. STEWART:—We are all mixed up. The poles were put in in 1911 and all done in 1912? A.—I don't swear that, I think it was completed in 1911.

MR. MITCHELL:—I am instructed it was constructed in 1912.

MR. EWING:—He is only speaking to his memory.

Q.—MR. STEWART:—Your knowledge of the delay is only what you got from the foremen? A.—Yes.

Q.—It is not first-hand knowledge? A.—No.

Q.—MR. MITCHELL:—What route was followed from Camrose to Kingman, did they follow the original line you laid out the first trip you made? You said you laid out this line. A.—I am pretty sure they did.

Q.—You don't know? A.—Yes, they followed it.

Q.—How do you know? A.—I drove over it.

Q.—They followed the route you laid out? A.—I am pretty sure of it.

Q.—You would be surprised to know they followed a shorter route? A.—No.

Q.—A shorter one and better one? A.—No, there was no shorter route.

Q.—But they might have run a different route? A.—There might have been a change at Kingman for a short piece.

Q.—How do you mean at Kingman—was there a change between Kingman and Camrose? A.—That's where it might have been.

Q.—Where? A.—Near Kingman.

Q.—MR. MACKAY:—At first you said you went over it and there was no change at all. Why did you say there was no change? A.—There might have been a slight change.

Q.—MR. MITCHELL:—Now, you said in the case of the Hardisty line there was a delay in getting material. Did you take the trouble to find out the cause of this delay? A.—Well, I asked them different times.

Q.—Whom did you ask? A.—Mr. Pearce.

Q.—What did he say? A.—I asked him after I went down if they were getting the material out, he said yes, there should be no delay for material.

Q.—Did you ever find out the cause of the delay in delivery of the material? Did anybody ever connected with the service in any of the discussions you had tell you? A.—I am not sure.

Q.—Did you hear any discussions of railway and freight changes and delay in delivery owing to freight congestion? A.—None whatever.

Q.—No one discussed that? A.—No.

Q.—You did not know there was a freight congestion, that year, so freight could not be delivered to us, did you know anything about that? A.—No, I did not.

Q.—Do you know whether or not the material was ordered by the department in the meantime so that in the ordinary course of events it could be delivered on time? A.—There seemed to be lots of it.

Q.—Where? A.—In the stores.

Q.—Where? A.—In the stores.

Q.—What stores? A.—In the Government stores.

Q.—Did you go there? A.—Sure.

Q.—Are you familiar with the Government stores? A.—I used to be there now and again.

Q.—What did you know about the stores that year? Was there material in the stores in 1912 to properly supply the Hardisty and Camrose-Kingman lines? Was there sufficient stores on hand? Do you know anything about that or was it necessary to order from abroad and wait until a freight delivery could be made? A.—I don't know, there seemed to be lots of material.

Q.—MR. CRAWFORD:—You said you phoned Richards in the case of material for the Provost line. Would Richards be in a position to know whether material was in stock or not? A.—Yes.

Q.—Was that part of his work? A.—Yes.

Q.—When you asked him to go to the store-room to stay there did he make any complaint? A.—No.

Q.—MR. MITCHELL:—Did you find out that the material which had been originally ordered had been shipped and you were placing a duplicate order? A.—None whatever.

Q.—Was it not a duplicate order? A.—No.

Q.—Did it not turn out to be a duplicate order?

Q.—MR. STEWART:—Was there really an order for this line for material, a requisition for all material? A.—Which line?

Q.—Hardisty-Provost line, the 20th of May, if so when did the requisition go in? A.—It should have gone in the 20th of May.

Q.—Who should have made that? A.—Mr. Pearce or one of his men.

Q.—Why would you not simply notify Pearce the second time? Why did you make a requisition the second time? In July? A.—I figured the 25 miles of material the second of July and phoned it in.

Q.—Would there not be a previous requisition? A.—Well, if they made a requisition it would be previous.

Q.—MR. MITCHELL:—You made out a requisition for 25 miles and were going to

estimate that. Previous to that time there was an order placed for that same material. You were going to give a second order. Did you know whether or not the material which was used in the construction of the Hardisty line was material which you ordered subsequently or the original order which was placed? A.—I don't know.

Q.—You would be surprised to know the material which you ordered was not used but in the meantime the original order arrived? A.—It might have.

Q.—MR. MITCHELL:—Did you ever see a document like that? (Exhibit 1). It is called "Outline of Duties and Authority of the Plant Branch," dated May 15th, 1912. It is a circular letter sent out. Do you remember ever having seen anything like that before? A.—I think I did.

Q.—Now, your name appears here. A.—I never got any with my name.

Q.—Did you ever get any with anybody else's name? A.—No.

Q.—Just a general one? A.—Yes.

Q.—This says that the superintendent of construction sets out a number of duties? A.—Yes.

Q.—Did you carry out any of these duties which are enumerated there?

THE CHAIRMAN:—It is now 12 o'clock and I think we will stop now.

MR. TWEEDIE:—I would like to have the permission of the committee to call Mr. H. E. Hotten. I would like to have a copy of all vouchers and invoices for supplies of poles and produced to the committee all contracts which were given for supplying of poles which were delivered to Sundry or thereabouts around about Sundry and an accounting of all poles. I would like to have an accounting of all poles which were distributed along the different stations in the province. The poles used for car stakes and cost of unloading those and points where they were unloaded and delivered. I want it on Thursday. I want those for the years 1913, 1914 and 1915. I want to know the number of poles shipped into Calgary and unloaded there, whose land unloaded on and what the land was purchased for and when for a yard; how much it cost to haul poles from where they were loaded and piled in the yards.

MR. BOYLE:—I don't think the Honorable Member has any right to ask the Public Accounts Committee for that. He should make a motion in the House. He has a right to call what witnesses he wishes and ask questions he likes if he can get information that way, but if he wishes any official of the Government or any staff of the Civil Service to prepare figures he must make a motion in the House.

MR. TWEEDIE:—I simply wish him to bring all papers and books and be prepared to answer that at the next meeting.

MR. W. R. SMITH, recalled. (Mr. Tweedie examining):—

Q.—You are under oath, Mr. Smith? A.—Yes.

Q.—At the last sitting of the committee I requested Dr. McLennan to get a statement showing the paid-up capital of the Edmonton-Dunvegan, Central Canada and Alberta Great Waterways. A.—Yes.

Q.—Have you received any communications from the office in Winnipeg? A.—Yes, we got that letter dated April 8, 1916.

Q.—Reading from that what is the paid-up capital of the Edmonton-Dunvegan and British Columbia Railway? A.—\$250,000.00.

Q.—The Central Canada? A.—\$62,500.00.

Q.—The Alberta and Great Waterways Railway? A.—\$50,000.00.

Q.—That letter does not state whether that paid-up capital was in cash? A.—It does not use the word cash.

Q.—Can you produce evidence showing this was actual cash paid in? A.—Yes, if you are willing to accept a telegram from Dr. McLennan.

Q.—All right. You have not received the stock books? A.—No, it would be impossible to bring the books.

Q.—Well, the stock books, it would not be much trouble, you have them not? A.—No.

Q.—That's all.

(Letter in question is marked Exhibit 2).

Meeting adjourned at 12.15 p.m. to meet again on Thursday morning, April 13th, 1916, at 10 a.m.

[FRANK WHITESIDE,
Chairman.

MEETING CALLED TO ORDER AT 10.20 A.M., THURSDAY, APRIL 13TH, 1916

The following Members were present: The Hon. Messrs. Mitchell, Boyle, C. Stewart, Gariepy, Boudreau, Kemmis, Crawford, Blow, McArthur, McNaughton, Tobin, Leffingwell, Hoadley, Campbell (Rocky Mountain House), Campbell (Ponoka), Ewing, MacKay, Moffat, The Hon. Mr. Whiteside acting as Chairman.

MR. EWING examining:—

MR. J. H. GRIERSON, recalled:

THE CHAIRMAN:—You are still under oath, Mr. Grierson?

MR. GRIERSON:—Yes.

Q.—MR. EWING:—You told us the last, I think, you were 25 years in the employ of the C.P.R. in connection with the construction of telephone and telegraph work? A.—Yes.

Q.—In your experience and judging by that experience what is the life of a telegraph or telephone pole? A.—Well, our experience with the C.P.R. after 10 or 11 years is in certain kinds of ground it would start to go and would have to be replaced.

Q.—What would be the average life of a pole on the C.P.R. as far as your knowledge goes? A.—The average life is 12 years.

THE CHAIRMAN:—Please specify, Mr. Grierson, what kind of a pole?

Q.—MR. EWING:—What kind of poles are you speaking of now? A.—These were eastern cedar taken from the Lake of the Woods.

Q.—What kind of poles were used on the Alberta Telephone System? A.—Well, cedar mostly, Rocky Mountain cedar.

Q.—As far as the life of the pole is concerned, how would the life of the poles used by the Alberta Telephone System compare with the C.P.R.? A.—The life of the eastern cedar is stated by construction people to last—

MR. MITCHELL:—I object.

MR. EWING:—All right, Mr. Grierson. A.—Between the first of July, 1881 and the end of December, 1883, the C.P.R. built a line between Winnipeg and British Columbia. In 1892 or 1893 there was some poles had to be reset by the linemen when they—that is in sandy ground. There was a gang sent over the C.P.R. strengthening the line by putting in a few poles which were replaced by poles and resetting some as well. That would be in 1893 or 1894. In 1896 I was lineman in Calgary and went out and I saw half a mile and on one or two occasions three-quarters of a mile line of poles broken off and on ground; they at once put a new gang, I started with the gang myself and reset the poles from Kananaskis. I reset that summer some 7,000 from Kananaskis to East Regina.

Q.—MR. MITCHELL:—What year is that? A.—1896.

Q.—MR. STEWART:—Did you reset every pole on the line, did you re-build the line? A.—No, reset it, put on new poles where the poles were too bad.

Q.—What did you mean by reset? A.—Cutting off instead of 5 feet put them in 3 feet.

Q.—It was the same pole? A.—Yes.

Q.—MR. BOYLE:—Had the C.P.R. in 1883 adopted the practice of tarring their poles? A.—No.

Q.—Then these poles were not tarred? Were they stripped or peeled below the ground?

A.—Yes, they were generally peeled.

Q.—MR. MITCHELL:—You say you reset a lot of poles, for what purpose? A.—They were rotten.

Q.—The line had been weakened by that? Had the fact that the business of the road increased in a number of years, had materially increased anything to do with the company wanting to have the poles strengthened? A.—No.

Q.—How many wires were carried on a pole in those days? A.—At that time there was some places more and some places less than others, for instance east of Medicine Hat there were more than west of Medicine Hat, at that time there were four wires.

Q.—How many do they carry now? A.—I don't know.

Q.—Well, you ought to, you were with the C.P.R. as wire man and travelling over the line, you would not travel over the line without knowing how many wires were carried on those poles? A.—I don't know.

Q.—You can guess, because anybody who travels over the road has a pretty good idea? A.—No.

Q.—How many cross-arms did they use to have between Calgary and Medicine Hat? A.—I don't know.

Q.—Have you any idea there were more than two? A.—I don't know, that is not in the life of the poles.

Q.—But approximately how many wires are carried on their poles between Medicine Hat and Calgary? A.—I don't think that's in my coming here at all. I don't know, I have not been along down on the C.P.R. for nearly ten years.

Q.—For nearly ten years?

THE CHAIRMAN:—He has said he does not know.

Q.—MR. BOYLE:—With respect to those poles which were reset how long did they last after they were reset? A.—After they were reset there was a line built in there in 1899-1900 that is between Medicine Hat and Calgary, I cannot say.

Q.—MR. MACKAY:—What is the difference in size of the pole the Provincial Telephone and the C.P.R. pole, is there any difference between the C.P.R. pole and the Provincial Government pole? A.—The C.P.R. used good poles.

Q.—What was their size? A.—At the present time?

Q.—At that time? A.—It would be 7 inch stock, 6 inch — 6½ inch stock.

Q.—What has the Provincial Government been using? A.—From 4½ inch to I suppose 10 inch poles.

Q.—MR. BOYLE:—For trunk line work? A.—I think trunk line about 6½ inch top.

Q.—About the same as the C.P.R. in early days used for telegraph line? A.—Yes.

Q.—But the average long distance line which wasn't a trunk line? (No answer).

Inasmuch as there have been various members interrupting the examination of a witness any time before the examiners are through with him, it was decided that the examiner was to use the witness until through and then advise the committee, in order that any one who wished to ask questions of the witness on any questions might do so.

Q.—MR. BOYLE:—How long did you say these poles would last after they were reset? A.—I know the line was built in 1899-1900 from Medicine Hat to Calgary.

Q.—MR. EWING:—Do you know how many times the poles have been renewed in the C.P.R. system in the west? A.—As far as I know the third line of poles has been put in between Medicine Hat and Calgary about three years.

Q.—That is, the first line was put in in 1881? A.—1881 from Medicine Hat west or Maple Creek west.

Q.—There was another set of poles put in later and the third set put in about 1912?

MR. BOYLE:—He did not say that.

THE CHAIRMAN:—Let us have the date of the third. A.—The third line about three years ago.

Q.—MR. STEWART:—Is that correct, he first said reset in 1881, reset in 1896 and three years later he built— A.—THE WITNESS:—There was a new line of poles.

Q.—MR. EWING:—And a third new line put in in 1912, three years ago.

MR. MITCHELL:—In 1896 he said there were 7,000 poles between Kananaskis and East Regina reset.

MR. EWING:—Then what would you say briefly was the comparison of the life between the C.P.R. poles and the Alberta Provincial Government Telephone pole in the same territory? A.—Well, the Rocky Mountain cedar is used by many builders, but the—

THE CHAIRMAN:—Just confine yourself to your own experience, Mr. Grierson, please. A.—The Rocky Mountain cedar is very good cedar although the life is not as long as the eastern cedar.

Q.—MR. EWING:—Is the Rocky Mountain cedar generally used in the Alberta telephone system? A.—Yes, I don't think any eastern cedar was brought through.

Q.—What other kind of poles were used by the Alberta telephone system? A.—Tamarack.

Q.—What would you say as to the life of a tamarack pole? A.—Well, tamarack pole is, I think, a good pole, I would give it as my opinion as very good pole although not as nice a pole as cedar.

Q.—But as to its durability? A.—Tamarack, say a tamarack pole is taken out and peeled, we will say a 6 inch pole, and put in the same season as it is taken out, I think it should last 12 years in ordinary ground.

Q.—You would place the life the same as a cedar? A.—Yes, perhaps a little more, that is a pole of the same size.

Q.—Exactly. Comparing the smaller poles what would you say so far as your knowledge goes what replacement has been done in the Alberta telephone system? A.—I think some poles were replaced on the line between here and Calgary.

Q.—But the Calgary-Edmonton line do you know of any having been replaced? A.—Yes, if being bad poles and their lifetime having expired. But we have not got to that yet.

Q.—Have not reached that? A.—No.

Q.—When, in your judgment as a lineman, will the replacement begin to be necessary? On a large scale? A.—Anytime after ten years.

Q.—After the original construction? A.—Yes.

Q.—Do you know of any poles being replaced outside of the Calgary-Edmonton line, can you recall any? A.—Outside the Calgary-Edmonton line?

Q.—Yes. A.—There has been poles probably taken down and others put in their place.

Q.—But not by reason of the pole having become useless through age? A.—I cannot say that.

Q.—Do you know the Meeting Creek line? A.—Yes.

Q.—Do you know of any poles being replaced there? A.—There was some replaced there by a line, by a long distance being built in place of a rural line.

Q.—What took place in connection with this replacement? That Meeting Creek replacement? A.—There was a line of 30 poles cut down and cedar poles put in their place.

Q.—They were burnt? A.—Yes.

Q.—What kind were they? A.—Tamarack.

Q.—Were they good poles? A.—Yes, put in by the Government.

Q.—How long had they been put in? A.—In the Government's time, probably 1908-1909.

- Q.—When were they cut down? A.—1912.
- Q.—What was done with the poles? A.—They were burnt.
- Q.—Who burned them? A.—The foreman.
- Q.—What would have been the proper procedure in that case, in your judgment?
- A.—It would be to take them out and use them for Rural lines eslewhere.
- Q.—How many were cut down and burnt? A.—30.
- Q.—Who was the foreman, do you know? A.—Yes, I think Johnson.
- Q.—I want to direct your attention to one or two specific lines.
- Q.—MR. BOYLE:—What would it have cost to dig these poles out per pole? A.—Not very much.
- Q.—About how much? A.—We don't generally dig them out.
- Q.—How do you take them out? A.—Put a chain on them.
- Q.—How much would it have cost per pole to get them out? A.—Twenty-five cents.
- Q.—How much would it have cost to gather them up, get them loaded up? They would be strung out, would they not? A.—Yes.
- Q.—How much would it cost to get them into a heap? A.—It should not cost ten cents per pole more to put them into a heap.
- Q.—That would be about thirty-five cents per pole? A.—Yes.
- Q.—How far was it, were these from a railroad station? A.—Eight miles.
- Q.—What would it cost to land them at the railroad station? A.—I would use them in the same locality.
- Q.—Were they required in that locality? A.—Poles are generally required in all localities.
- Q.—Was there in that? You don't know whether poles would be required in that locality or not? A.—No.
- Q.—They would probably have to be re-shipped, hauled to the station and re-shipped?
- A.—They might, if they were required at the time they were cut down?
- Q.—What would it cost to haul them to the station? A.—Ten miles—I would figure about 30 cents.
- Q.—That would be 65 cents per pole listed at the station?
- Q.—MR. EWING:—Then is it your opinion that where other poles are taken out or left over, it is cheaper to destroy them than to have them shipped to some other point?
- A.—I would not say that.
- Q.—Where poles are left over on a job the cost of moving them and trans-shipping them is very great, is it not? A.—That is at stations?
- Q.—No, where poles are strung along not used. A.—Of course it is costly picking them up and taking them to another point.
- Q.—It is costly? A.—Yes, picking them up.
- Q.—What is the cost of picking up poles and taking them five, six or eight miles?
- A.—I think I just gave you the cost now, about thirty cents.
- Q.—MR. MACKAY:—Can you tell us who burnt those poles? A.—The foreman.
- Q.—What was his name? A.—Johnson.
- Q.—If it was proven clearly that Johnson was not there at that time what would you say? A.—I saw the poles which were cut down, I asked them why?
- Q.—Was that Johnson? A.—Yes.
- Q.—He said he was told to do so and burned them, you say that was Johnson? A.—Yes.
- Q.—What locality was this, the 30 poles? A.—Between Meeting Creek and Stettler.
- Q.—Was there a line there then at all? A.—In 1912, it was the year they built that line.
- Q.—Was it near Meeting Creek or near Stettler? A.—Between.
- Q.—How far from Meeting Creek or Stettler? A.—About 20 miles.
- Q.—Was it nearer Meeting Creek or Stettler? A.—About half way.
- Q.—You were talking to Johnson yourself? A.—Yes.
- Q.—You know Johnson? A.—I met him a couple of times.
- Q.—Was he the man who burned the poles? A.—Yes, he was the man who burned the poles.
- Q.—There is no doubt about that? A.—No.
- Q.—MR. EWING:—Now, the line constructed from Ryley to Vegreville, you have seen that line? A.—Yes.
- Q.—Were you there during construction? A.—I was.
- Q.—You laid out that line, I believe? A.—Yes.
- Q.—MR. MACKAY:—Will you swear there was an old line between Meeting Creek and Stettler in 1912? A.—Was there a line between Meeting Creek and Stettler in 1912?
- Q.—Yes. Was there a line? A.—I will swear there was one mile between Meeting Creek and Stettler on the rural line.
- Q.—It is a rural line now? A.—Yes.
- Q.—Between what points were you going to extend? A.—To a point 20 miles of line it was a point which came into the right-of-way about half way between Meeting Creek and Stettler.

Q.—What was the connecting point? A.—I think it was a rural at a point east of Stettler.

Q.—What town? A.—What town is east of Stettler?

Q.—Botha? A.—I think so.

Q.—MR. STEWART:—Did this particular line you speak of cut out of Stettler? A.—That was cut down?

Q.—Yes? A.—I really think it came out of Botha, that is where the rural line came out of.

Q.—That is rather strange.

MR. MACKAY:—That is what he says.

Q.—MR. STEWART:—How would they destroy a rural line? A.—They would carry it on the Trunk Line.

Q.—MR. MACKAY:—What was the practice, was that the practice then to burn poles in that way? A.—I don't know.

Q.—Well, what was your position in regards to that? Was that the practice? A.—Not that I know.

Q.—MR. STEWART:—Did you report it to your chief? A.—I don't just remember whether I reported it or not.

Q.—Was not that part of your duties? A.—I reported so many things.

Q.—MR. MITCHELL:—In writing? A.—No, I always reported verbally.

Q.—MR. STEWART:—But you did not report this particular instance? A.—I don't remember.

Q.—MR. EWING:—The road I believe on the Ryley-Vegreville line was changed? A.—Yes.

Q.—What date was that built? A.—The line built? I can give you the day I was there.

Q.—I mean what year? A.—1912.

Q.—You laid out the road? A.—I did.

Q.—You know who changed the road? A.—Well, it wasn't built changed, but there was a change in the road. I laid out the line and after we got the gang on to the line I heard the road was changed to one mile farther west.

Q.—That is the entire line? A.—No, it run off about 8 miles, it started about 1 mile north of Ryley and it was changed for about eight miles north.

Q.—Yes, that is eight miles of it was changed? A.—Yes.

Q.—You had no notice of that? A.—No. I heard of it, I spoke to Mr. Pearce about that, I told him I did not think it possible to build a line where it was and I decided to go down and go over it. I went down, the gang had been there about a week, it was a gang from Viking, I drove out over this proposed new road with the foreman he had. After he had been there a few days he got word to move one mile farther west. When I went down they were working at that point, I drove over, it wasn't possible in any way, shape or form to build. We came back on the old way. I came in and reported how it was, they were ordered back to dig out the holes again and bring the poles back.

Q.—Let me understand. The poles were placed on the changed road, the proposed change? A.—Yes, they were hauling and digging holes and hauled from where they were put first to the regular route.

Q.—What proportion of the holes in the eight miles were completed? A.—On the first road about three miles I think.

Q.—And were the poles on the entire eight miles? A.—No, they had distributed the poles about 6 miles I think.

Q.—Then the road was changed again? A.—Yes, changed back to the old route.

Q.—Then the holes were filled up and the poles moved? A.—Yes.

Q.—Any other material moved? A.—There were only the poles there no other material had got to them.

Q.—Do you know on whose instructions the first change was made? A.—I don't know.

Q.—Why wasn't it possible to construct it on the changed route? A.—There was no road allowance and there were sloughs, you could not get through them.

Q.—The poles were taken back just on the line you originally recommended? A.—Yes.

Q.—MR. STEWART:—Would the new road suggested have been shorter? A.—No, none whatever.

Q.—No difference in mileage, you are sure of that? A.—Yes, no it would be the same mileage.

Q.—You swear to that? A.—The same mileage.

Q.—You would not be surprised if it was shorter? A.—Not very many pole lengths.

Q.—Still you admit it was shorter? A.—I don't see how it could be.

Q.—You are not clear on that point, you are not prepared to swear it was shorter? A.—How much shorter?

Q.—Well, I am not giving evidence, it might have been shorter? A.—A few yards, it might have been a few yards shorter.

Q.—The only obstruction was sloughs, it was not as good a road? A.—No, no road

there went through it, the other place was a good travelled road. It would have bearing on it what kind of a road you were getting to.

Q.—MR. EWING:—Take Castor to Coronation line, did you lay it out? A.—Yes.

Q.—What do you know about it, were you passing when the line was being constructed? A.—Yes, I was.

Q.—What do you know about the construction of that line? A.—The foreman who built that line strung wires from Nevis to Castor and started to build the line when he lay about. (Refers to book). I was at Castor on the 23rd of August. That's when he finished the line west. He started in at Castor and the Coronation line. I was then at Castor on the 10th of September, the gang was laying over without material and was digging holes, they had three sets of digging tools for the whole outfit.

Q.—Was that on the 10th September? A.—Yes.

Q.—How long about had they been there? A.—From the 23rd of August.

Q.—Why were they laying over? A.—They had no material, they had no tools only for three men.

Q.—They had neither material nor tools except tools for three men? A.—They had three sets of tools.

Q.—How many in this gang? A.—There would be about twenty men.

Q.—Did you do anything when you found this? A.—I called up about material.

Q.—Whom did you call up?

Q.—MR. MITCHELL:—When did you call up? A.—When I was at Castor. I rather think it was Baxter I called up on that occasion.

Q.—Do you know what the result was on your calling up? A.—Well, the material was sent down to them a few days later.

Q.—Who was in charge of the gang? A.—J. A. Fraser.

Q.—Did he give any explanation why they were laying over some 18 days? A.—None except he could not get material.

Q.—Did he tell you that? A.—Yes.

Q.—He said his gang was lying idle there because they could not get material? A.—Yes.

Q.—MR. EWING:—Now, take the line from Ferintosh to the long distance line south, did you lay out that line? A.—Yes.

Q.—Were you present at any time during construction of it? A.—I was present about one week after the gang got there.

Q.—In what shape did you find things? A.—I found they were without material.

Q.—Did you know how long they had been without material? A.—I understood from the foreman he had been there one week.

Q.—How many men in the gang? A.—About 20.

Q.—They were waiting for material? A.—Yes.

Q.—What did you do? A.—I made out a requisition for material for about ten miles and tools which were required they had only, I think, five digging sets.

Q.—You sent that in? A.—I called up, I think, Baxter as well, I cannot just say.

Q.—What followed? A.—Well, the material was sent.

Q.—After you called up? A.—Yes.

Q.—Who was the foreman of that gang? A.—Sam Mitchell.

Q.—Did he give you any explanations why they were waiting over a week for material?

Q.—MR. MITCHELL:—Is he entitled to get it? A.—MR. EWING:—I think so.

Q.—THE CHAIRMAN:—He will swear this foreman told him that? A.—MR. MITCHELL:—We may not have Sam Mitchell here.

THE CHAIRMAN:—The question was did he get any explanation from the foreman why he was lying idle?

A.—THE WITNESS:—Because he had no material?

Q.—He told you that? A.—Yes.

Q.—MR. EWING:—Whose duty was it to see that the material was there? A.—It was the duty of the office staff who they were working under.

Q.—It would be Sam Mitchell's fault? A.—No.

Q.—MR. MITCHELL:—Would it be your fault? A.—No.

Q.—What was your job? A.—I told you the other day.

Q.—No, but what was your position? A.—I had no position.

Q.—You laid out the line? A.—Yes.

Q.—What else were you supposed to do, do you know? A.—I presume to follow up and see how construction was getting on.

Q.—We found two or three cases where you dropped in and found a shortage of material, how was it you were not on the job more, you were plant superintendent or superintendent of construction? A.—I wasn't plant superintendent.

Q.—But superintendent of construction. A.—Well, my powers were taken away from me.

Q.—Taken from you in the whole of the Province? A.—Yes.

Q.—What powers had you left? A.—I was just sent out when Mr. Harmer sent me out.

Q.—Will you swear you only went out when Mr. Harmer sent you out? A.—I went out in a general way when Mr. Harmer told me.

Q.—Did you say until you got instructions from Mr. Harmer each time? A.—No.

Q.—Did he only instruct you to go to places? A.—Yes.

Q.—How frequently? A.—I cannot say.

Q.—Did you ever go of your own accord? A.—Yes.

Q.—How often? A.—I cannot say.

Q.—Did you go this time of your own accord or did he send you? A.—I cannot say.

Q.—MR. BOYLE:—I think the committee is entitled to some more information. What were you doing in the Telephone Department? You say you were superintendent of construction. You saw this paper? (Exhibit 1, April 11th). A.—I don't remember ever seeing my name on it.

Q.—You must have, you were drawing a salary from the department and must have considered you had some duties? A.—I don't know what my duties were any longer.

Q.—But a man who has worked for a corporation for 25 years does not expect to have the committee believe that, certainly? A.—I am just telling the committee—

Q.—You were drawing a salary regularly, how much? A.—\$150.00 per month.

Q.—And you did not know what your duties were? A.—No, I did not at that time.

Q.—Apparently you did not care? A.—I did care.

Q.—You did? A.—I did care.

Q.—You don't know what your duties were, what did you make out your duties to be?

A.—I went out picking out lines, I would see the gangs, but the gangs were all under those plant chiefs, they were under their supervision.

Q.—What were you musing up about, if you had no duties. You say you went around to see what the gangs were doing, that is correct? A.—I went around to the gangs and reported to Mr. Harmer.

Q.—You took the round of the gangs, then you must have considered your business was still superintendent of construction? A.—No, that power was taken away.

Q.—Were you just paying frequent visits to them? A.—Apparently.

Q.—What part of the Province were you dealing in? A.—What?

Q.—During the time you saw all these things which you told my learned friend about, what part of the Province were you making your— A.—I can give you the parts I was in.

Q.—Was it north or south? A.—North.

Q.—What determined your operations in the north? A.—In the north?

Q.—Yes, why did you not go south instead of north? A.—Because I wasn't sent south.

Q.—Then it may have been, your duties, whatever they were, were confined to the north? A.—It seems so.

Q.—Was it so? A.—Well, the duties I did was practically in the north part of the Province.

Q.—The duties that you did were to visit the gangs and to see whether or not they were doing the work properly? A.—I cannot say it was.

Q.—Well, then what were your duties? A.—I told you before I did not know what my duties were.

Q.—Did you ever consult with any officer of the department as to what your duties were? (No answer).

Q.—Now, Mr. Grierson, the Committee is entitled to some information from you, I don't think you mean to say a man working for a corporation as long as you did, did not know his duties? Didn't take the trouble to ask his superior officer what they were? A.—I was only sent out as they sent me.

Q.—Did you ever ask Mr. Harmer or anyone else what your duties were? A.—No.

Q.—What did you consider they were? A.—I considered they should have told me.

Q.—Did he tell you? You received this paper. (Exhibit 1, April 11th). A.—My name wasn't on there.

Q.—What did you consider they were if you did not take the trouble to ask anyone? A.—I didn't know, I was laying out lines and would go out to the gangs but my duties wasn't as superintendent.

Q.—Now talk a little sense, to this committee. You don't expect this committee to believe you were working for this department for years and that you did not know what your duties were? A.—That's right.

Q.—You did not take the trouble to ask anybody? A.—That's right.

Q.—You did not? A.—No, that's right.

Q.—You always drew your cheque at the end of the month? A.—You bet I did.

Q.—What did you consider your duties to be? A.—I hardly knew myself.

Q.—Now, Mr. Grierson, you don't expect sensible people to believe that you must have considered your duties to be something. What were they? A.—My duties should have been duties of construction, that's what they should have been.

Q.—That's what you considered they were? A.—That's what they should have been.

Q.—Well now, wait a moment. When you were working for some person whom did you consider advised you of your duties? When you were working for the C.P.R. did you

look up your own duties and tell Mr. Van Horn what they were? A.—We would know whom we were working under.

Q.—Who did you expect to take instructions from? A.—From the superintendent.

Q.—The man above you? A.—Yes.

Q.—And when working for the Government who did you expect to take instructions from? A.—My superior officer.

Q.—Who was he? A.—Mr. Stocks was then when he went, Mr. Harmer.

Q.—At the time you are speaking of, now who was your superior officer? A.—Mr. Harmer.

Q.—Was there no person over you except Mr. Harmer? A.—I cannot say there was.

Q.—You cannot say? A.—No, Richards he had not that end of the work.

Q.—What end of the work? A.—Construction part.

Q.—You were supposed to do the construction part, were you? A.—Richards did not do very little of the construction part he had more the operating work.

Q.—Wasn't he superintendent? A.—Yes.

Q.—He was general superintendent, wasn't he? A.—I believe so.

Q.—Would not he be the next man under the Deputy Minister or did you consider you were the next man under the deputy minister? A.—(Does not answer).

Q.—Would not Richards be the next man immediately under the deputy minister? A.—If he was superintendent he was.

Q.—Then in the natural course of events who should you take instructions from? A.—Mr. Harmer.

Q.—Not Richards? A.—No.

Q.—Why did you not consider you should take them from the Minister himself? A.—I did at one time.

Q.—Now, you never asked, you thought you were superintendent, is that it? A.—No, I knew my powers were taken from me as superintendent of construction.

Q.—Who took them from you? A.—They were taken from me at the change after Mr. Harmer took over the office as Deputy Minister.

Q.—When he took over the office of Deputy Minister your powers as superintendent were taken from you? A.—Yes.

Q.—Who told you? A.—I was never notified.

Q.—How did you find it out? A.—I was never spoken to in regards to the department, everything was done outside of me altogether.

Q.—You just surmised that? A.—It was surmised the way things were running.

Q.—How long after Mr. Harmer was Deputy Minister, was it these occurrences which you swear to took place? A.—I gave you the dates the last summer.

Q.—Very shortly after he took over the department? A.—Some months after a portion of the work, during the summer.

Q.—Having surmised your powers and duties were changed you did not think it worth while to find out what the change was? A.—I cannot say that.

Q.—What cannot you say about it? A.—I was never treated as superintendent or anything else. I wasn't asked regarding construction, that is material. My powers were taken from me. Previous I used to make out my own material, then it was taken from me.

Q.—You did not ask Mr. Harmer or any superior officer what your new duties were under the change? A.—I cannot say I did.

Q.—You have sworn already you did not know what they were? A.—I do not know of any official duties I did.

Q.—So you just wandered about the Province with a sore head finding out anything you could. A.—I cannot say that.

THE CHAIRMAN:—I don't think that is a fair question.

MR. BOYLE:—What good did you consider you were doing in wandering about the Province if you had no authority? A.—I don't think that's in it at all.

Q.—What good were you doing wandering about the Province if you had no authority at all? A.—I brought it up with Mr. Harmer at different times.

Q.—You told us before you didn't, what did you bring up? A.—I told him how this construction was going on, I told him just how things were that I believed the men were drawing more pay for lying in their camps and doing nothing than for work they did.

Q.—But you told this committee you did not have any duties, you knew of, what we want to know is how you came to be wandering about the Province, not knowing what your duties were? A.—That's the way it was.

Q.—You have no explanation to make? A.—No.

Q.—You didn't ask anybody? A.—No.

Q.—You don't care? (No answer).

Q.—Now, Mr. Grierson, did you have any responsibility at all in seeing the construction work was properly carried on? A.—No, I had no responsibility at all regarding gangs, none, whatever.

Q.—You are not able to give this committee any further information as to what your duties were to be? A.—No.

Q.—Why did you visit these camps if you had no authority? A.—I went out and visited and reported to Mr. Harmer.

Q.—Why? A.—I visited them to see what they were doing.

Q.—What was your object? A.—To see what they were doing.

Q.—To satisfy your own curiosity or what for? A.—I went out to see if I could not rectify the construction end of it the way it was being carried on that year.

Q.—Then you did consider you had some responsibility, you reported to Mr. Harmer at different times, how it was? A.—I reported to Mr. Harmer how it was, the first time I told him he seemed to be annoyed, after that he did not seem to care, finally I was cut out from going to the country at all.

Q.—MR. STEWART:—Are you swearing you visited Mr. Harmer's office and told him these things? A.—I did, I visited Mr. Harmer and told him just how things were.

Q.—Did you tell him about Castor, did you visit him and tell him Fraser was lying idle at Castor? A.—I told him a great many cases.

Q.—Did you tell him Fraser was lying idle? A.—I cannot say at that point.

Q.—You won't swear to it? A.—No.

Q.—Did you visit him and tell him about the case at Meeting Creek where the gang was lying idle seven days? A.—Where?

Q.—MR. BOYLE:—Where the foreman burned the poles? A.—No, I did not, I don't think I did.

Q.—MR. STEWART:—You mention three different cases where the crews were idle, did you visit Mr. Harmer and tell him these crews were idle because of no material? A.—I visited him several times, I cannot say.

Q.—Did you visit him in connection with any one of these? A.—I cannot say I did.

Q.—How many crews were operating in this end of the Province? A.—I should judge that we had about seventy crews for the whole Province.

Q.—How many in Northern Alberta? A.—I don't know.

Q.—Would there be thirty? A.—I think so.

Q.—You found three which were idle? A.—I could give dozens of them.

Q.—That was all in 1912? A.—Yes.

Q.—But the point is you won't swear you did not tell or visit him (Mr. Harmer) and tell him about these? A.—No, I did not.

Q.—MR. MACKAY:—I suppose, Mr. Grierson, with reference to delays, the superintendent of construction would assume the responsibility about the tools? A.—I suppose so.

Q.—It was his duty to guard against this if he was superintendent, no matter who was? A.—I—

Q.—If there were any delays, the superintendent would be at fault in allowing these delays—the party who was in charge of the work whoever it was, he would be to blame for allowing these delays? A.—Yes.

Q.—That was the summer of 1912? A.—Yes.

Q.—Now, look at this letter (Exhibit 1, April 13th) in which you sign yourself as superintendent of construction in 1912, there is the report (reads letter dated June 18, 1912) to the general superintendent and you sign yourself superintendent of construction or superintendent of government telephones construction. A.—I signed myself superintendent of construction because I felt I should although I had no powers.

Q.—Was the statement in that letter false? A.—No.

Q.—Then it is true? A.—I could sign myself when it wasn't taken from me.

Q.—But this is the very date you say the superintendent of construction would be to blame, is that statement true or false? A.—I wasn't to blame.

Q.—Were you superintendent of construction? A.—I was in name but not in work, I had no charge of construction.

Q.—I would like to know. Here is a letter written in the ordinary course of the work, you sign yourself at this very time as superintendent of construction. Was that statement true or false when you signed at that time? A.—I could sign—

THE CHAIRMAN:—Answer the question.

Q.—MR. MACKAY:—Was that a deliberate falsehood at the very time you made a complaint of, was that statement false in your report to your superior? A.—I told you before.

Q.—I am asking you was that statement in your own hand-writing false or true? A.—I could sign superintendent of construction.

THE CHAIRMAN:—We are entitled to an answer, Mr. Grierson.

Q.—MR. MACKAY:—I want an answer to that, Mr. Chairman. Was that false?

A.—THE WITNESS:—I don't say it was.

Q.—Was it true? A.—I would take it, it was.

Q.—I want an answer. A.—You won't get no answer.

Q.—You won't give any? A.—You can take it any way you like.

Q.—Then that statement is true, you were superintendent of construction. You admitted to me if there was any delays the superintendent of construction is to blame, I am showing you your own letter, showing you were superintendent of construction. I want your explanation, can you give any?

THE CHAIRMAN:—A direct answer is all that is required.

MR. EWING:—I submit that the witness has fully answered that question.

THE CHAIRMAN:—He has not.

MR. EWING:—I submit he has. He said: "I was superintendent in name but not in work," now he signs that as superintendent in name, he said his duties were taken from him.

MR. STEWART:—You don't expect us to believe that as a lawyer, do you, Mr. Ewing?

Q.—MR. MACKAY (Reads Exhibit 1, April 13th again): Richards was the general superintendent at that time? A.—THE WITNESS:—I suppose he was.

Q.—Don't you know? A.—Although Mr. Richards tells you right, he was just the same as I was that year. He was practically ever doing nothing.

Q.—All I want to know is whether you mean that letter and whether the statement is the truth at the time. A.—I think, Mr. MacKay, I fully explained that before.

Q.—Why would you report to him if you had no responsibility? A.—I first wrote to Mr.—

Q.—Why would you report to a man who was your superior if you thought you had no duty or responsibility? A.—I went over that piece of work and reported that piece of work.

Q.—Why, because it was your duty? A.—What?

Q.—Because it was your duty to tell your superior officer how the construction was going on? A.—That wasn't in connection with construction it was laying out lines, the change which was made.

Q.—When you lay out a line do you think you have no responsibility? A.—I went out and reported.

Q.—That's not an answer to my question. What return did you think in the way of construction you were giving the Government for the \$150.00 per month? (No answer).

Q.—Never mind answering that. Was there anyone else superintendent of construction in the summer of 1912, the time you were speaking of in the north? Anyone else who pretended to be superintendent but you? A.—I don't know of anybody, they were all plant chiefs.

Q.—There was a plant chief for that district? A.—They had charge of all construction.

Q.—Did they not have the detail work and did not you have the supervision as superintendent to see that the work was properly done? A.—No.

Q.—Then why did you sign as superintendent of construction at the very time you complain of? A.—I did.

Q.—What? A.—I could sign as superintendent of construction to-day, as it was never taken away from me by the Executive Council. I did not resign, nor was asked to resign.

Q.—I see. You admit receiving this, showing what a number of your duties were. (Exhibit 1, April 11) No. 1. He shall supervise rural and long distance line construction.

A.—Is my name on it?

Q.—You say you got the circular? A.—I did not see that.

Q.—You say you were signing your name as superintendent of construction? You read this circular (Exhibit 1, April 11) I suppose? A.—I read it but my name wasn't on it.

Q.—MR. BOYLE:—Is not your title on it as superintendent of line construction? A.—I never say—

Q.—Just be fair to the Committee, is it not plain in the circular this was intended for you? A.—No.

Q.—Why? A.—Because my powers were taken away from me.

Q.—MR. MACKAY:—You say there was no other superintendent of line construction and you say you signed as superintendent. Now the other duties of the superintendent of line construction are: "2. Shall act in an advisory capacity to the district plant chiefs on line construction. 3. Shall keep the plant chief advised of the progress of the work of any special difficulties met with in line construction and of the class of work being carried out by the various foremen under the supervision of the district plant chiefs." Would not that, or the man who did that be the man who prevents the delays you speak about? A.—I hadn't those duties.

Q.—Is not the whole trouble here, there was a change of the system and you would not knuckle down to the position you were given? A.—No. I was given no position, if I was I would have lived up to it.

Q.—Who had the position of superintendent of line construction? His duties are definite there? A.—That name wasn't there.

Q.—But you signed. Your duties are definite here the moment you do. The man who supervises that would be to blame for delays to a certain extent if there were delays? A.—Of course the superintendent of construction has charge of all clerks who hand out all material if it is right.

Q.—There was the whole trouble, the plant chief took charge of some of these details and you objected and you became disgruntled and would not work, is not that what it was? A.—No.

Q.—Is it not a fact when you were superintendent of construction for the whole Province you practically combined the duties which were subsequently carried on by the Plant

chief and superintendent of construction and the appointment of the plant chief was simply to relieve the superintendent of construction of lots of the detail work to enable him when the big telephone program was on to give more general supervision to the work and less bother with the details of material, etc., and with that object in view they, the plant chiefs were appointed, and let the superintendent of construction give more time to the supervision and prevent this very thing which you claim in 1912 was in existence? A.—No, I was carrying no duties.

Q.—Look at the 5th sub-division of the circular: "5. Shall assist the plant chief in getting material properly placed." Did you ever do that? A.—I had no charge of construction.

Q.—MR. BOYLE:—I think the witness should be compelled to answer these questions. It is quite evident he does not want to give evidence, he is avoiding the questions.

THE CHAIRMAN:—The only thing to do if he insists is to dismiss him.

MR. EWING:—I think that is without justification.

Q.—MR. MACKAY (to witness):—I want to read this circular to you again. (Does so). You are on that. You signed your reports as superintendent of construction, that being the fact I want to know what you will say with reference to this: (Reads Sec. 5 again). Did you ever do that? A.—I called up the plant chief and told him about material being out.

Q.—Then you were doing the duties of the superintendent to a certain extent. But what I am getting at, in fairness to yourself, the man in charge of the district, if there are delays, if he has the responsibility for it, you took no responsibility for anything that year? A.—None whatever.

Q.—You drew a salary as superintendent of construction but did not think you should be held responsible for any defects in his work? A.—No, sir.

Q.—Take Section 3 again. (Reads Sec. 3 of the circular). Wasn't that really what you were doing? A.—I cannot say it was.

Q.—Wasn't it because you fell down in the discharge of your duties they determined to give you another job? A.—I had instructions. I never fell down yet.

Q.—That's not answering my question, somebody was to blame if there were these delays you speak of? A.—Of course someone was.

Q.—Whom ought we to blame for that, if we don't blame the man who was superintending or supervising the work, if he is not to blame who would you blame? Can you suggest it to us? A.—I told you before I wasn't supervising the work.

Q.—That's not borne out by your letters, you were reporting to your general superintendent you wrote one letter at the very time we are speaking of. If you did part of it why did not you do it all? You know, Mr. Grierson, in fairness to yourself, we should have an answer? A.—I had nothing to do with the handling of construction.

Q.—I will have to take you back to your letter again and ask you what in the world your letter of June 18, 1912, means? A.—That means I went over a piece of the construction to lay it out.

Q.—That was according to your instructions? A.—Yes.

Q.—Do you mean to say your responsibility ceases when you laid the line out? A.—I had nothing to do with the construction, I visited the gangs.

Q.—You reported verbally as you came back, as a rule? A.—Yes, as a rule.

Q.—Then you were doing superintendent's work? A.—No. That is for handling construction men, with gangs, because of the fact different fellows have charge of the gangs.

Q.—Of all gangs? A.—Yes, gangs and material.

Q.—Is not that what you were doing? A.—No.

Q.—Why were you visiting them then, why did you go out and frequently visit them? A.—I might have.

Q.—You might have although you were signing yourself as superintendent of construction, had your instructions as superintendent and drew your salary as such superintendent, and yet you were only on frequent visits, is that your answer? I want you to be fair to yourself? A.—I was out there but had no charge of construction.

Q.—Why did you go there? A.—I was generally sent out by Mr. Harmer.

Q.—Then you were on duty. A.—Yes, I was but not in charge of the construction.

Q.—Do you mean every visit you were out there, you were sent out by Mr. Harmer? A.—No.

Q.—Half of them? A.—No.

Q.—Most of the time you went out to see what the gangs were doing? A.—Yes.

Q.—Why did you go of your own motion during this very period you complain of the delays, during which period you were drawing a salary as superintendent why did you visit the gangs? A.—I thought I was doing good going there.

Q.—You thought you would earn part of your salary? A.—Yes.

Q.—If you were attempting to earn the whole of your salary don't you think you would have taken up the whole of your duties? A.—Not unless I had charge.

Q.—You got this circular what do you complain of, they were given to you? A.—I had no private instructions.

Q.—You swear you got it? A.—I got it, my name wasn't on it.

Q.—Your style of position it was on it. Will you pledge you thought that did not mean you, you did not think that meant you? A.—No.

Q.—But that was the very period you signed your name as superintendent of Construction. A.—I knew they had taken that away from me. I could sign that to-day.

Q.—Will you tell us when you read that you did not know those instructions were for you? A.—No.

Q.—You didn't carry them out? A.—I did not have a chance to carry them out.

Q.—Who stopped you? Mr. Harmer? A.—I had no change of instructions.

Q.—Who stopped you, name the man who stopped you from doing your duties. A.—I don't think that has anything to do with it.

Q.—You said you were stopped, who stopped you? (No answer).

MR. MACKAY:—Mr. Chairman, he said he was prevented, I want an answer to that, who stopped him from carrying out the instructions on that circular?

THE CHAIRMAN (to witness):—You stated somebody stopped you, who stopped you? (No answer).

Q.—MR. MACKAY:—We may want to call the witness who stopped you to see what he says about, who stopped you? A.—I was stopped by the foreman of construction, they changed that year.

Q.—Just look at this? (Exhibit 1, April 11th). A.—I know the whole thing.

Q.—Did you want more power than they gave you in these instructions? A.—I had no power whatever.

Q.—No person in particular stopped you from doing your duties described in that circular. A.—It was never talked over with me.

Q.—I did not ask you that. No person stopped you from carrying out the duties prescribed in that circular. If they did, name them. A.—I cannot say who stopped me.

Q.—Then no particular person stopped you? A.—I had nothing to do with construction.

Q.—Was there any particular person stopped you or was it the change of system you did not like. I am trying to be fair to you. A.—I don't think that's fair.

Q.—Well, name the person who stopped you. A.—It was taken out of my hands.

Q.—No person stopped you, Mr. Harmer did not stop you and the superintendent did not stop you? A.—It was the general change of the department that took all these duties away from me.

Q.—But these duties are prescribed here. A.—Not me. I was never brought into the office after that was sent to me, I did not know who was superintendent or anything about it.

Q.—Please. When you reported to your superintendent in June you did not know you reported to Richards. Did you not know you reported to the general superintendent then? A.—Yes, I knew.

Q.—Now, am I right in saying that Richards did not personally stop you, Mr. Harmer did not stop you, nobody personally stopped you from carrying out your prescribed duties in that circular? A.—Getting down to Richards he was in the same position as I was.

Q.—Let him speak for himself; answer my questions; no person stopped you from carrying out your prescribed duties in that circular? A.—But I could not do the work as superintendent.

Q.—You mean you would not? A.—I could not.

Q.—Could not you supervise rural and long distance lines? A.—Yes.

Q.—Did you do that? A.—I could not do it.

Q.—Why? Do you know? A.—I didn't have the chance.

Q.—Who stopped you? A.—It was stopped by all those who had charge of the instructions.

Q.—Who are you referring to? A.—Plant chiefs.

Q.—Mr. Baxter? He stopped you in this instance? A.—They were all appointed and took the place of the superintendent.

Q.—What's that? A.—That's right.

Q.—Did you read this circular? Didn't you see the plant chiefs' duties are defined and you will find they don't clash with the superintendents at all. We have the document here. Are you going to swear that the plant chiefs' duties as prescribed in this circular interfered with the superintendents' duties as prescribed in this circular. A.—Who might be the superintendent?

Q.—I didn't ask you that, you said the plant chiefs interfered with the superintendents. I am showing you the prescribed duties of the plant chiefs and your own. I ask you where do they clash or overlap? A.—I wasn't superintendent at all.

Q.—I didn't ask you that; where do the prescribed duties of the plant chiefs overlap or clash with the prescribed duties of the superintendent? (No answer).

Q.—What do you say, point us out how they interfere? A.—I say the same as I said before, I had nothing to do with it.

Q.—You are not answering my questions at all. I will ask you the question again. Mr. Chairman, I want an answer to this question. He said the plant chiefs' duties interfered with his, I am showing the prescribed duties of the plant chiefs and the prescribed duties of the superintendent and I want to know where they clash or where one interferes

with the other. The document is before him. A.—Well, I had nothing to do with it.

Q.—I am asking you if the prescribed duties of the plant chiefs in any way interfered with the prescribed duties of the superintendent. You cannot point out where they do?

A.—Not in that.

Q.—Then you are not complaining of the prescribed duties? A.—Not if I had the powers.

Q.—You are not complaining of the prescribed duties in this circular? We will come to the actual duties afterwards. You are not complaining of the prescribed duties of the plant chiefs interfering with your duties, are you? A.—From the duties of the construction—

Q.—I am not asking you that. I am asking you if you are complaining of the prescribed duties of the plant chiefs. I am producing the circular, you admit receiving it and I am showing where the superintendent of line construction, which he has signed as, has certain duties, and I am asking you if your duties prescribed in this interfered with his duties if you wanted to honestly carry them out. I want you to show me where. You have the document.

THE CHAIRMAN:—Mr. Grierson, you said they clashed, I want to know where they did.

MR. EWING:—I rise to press my objections to the question. The witness has not stated that there was any conflict in the circular between the prescribed duties between the two various officers.

MR. MACKAY:—Nobody said he did.

MR. EWING:—The question was, is there a conflict between the prescribed duties and this document?

THE CHAIRMAN:—He suggested there was a clash between the duties of the plant chiefs and superintendents.

MR. BOYLE:—He has asked him for his regular duties, he said he has none.

MR. EWING:—He is asking him his opinion on it, he may give his opinion and it is only his opinion.

MR. MACKAY:—That's not a fair objection. He is a practical man, he has been all his life. I am asking if the prescribed duties in either office prevented him from carrying out his duties?

THE CHAIRMAN:—The question is perfectly in order.

MR. EWING:—It is a matter of opinion.

THE WITNESS:—I am not prepared to give any opinion on it.

MR. EWING:—Therefore he finds no fault if he forms no opinion.

MR. MACKAY:—Now, when you got this document prescribing your duties did you go to your chief and make any complaint what your duties were as were prescribed? A.—No, I never made any complaint, I saw how the construction was going, I just let it go.

Q.—You never made any complaint as to your prescribed duties? A.—Because my duties were not there.

Q.—Were you not superintendent of construction? A.—Well, you got that there.

Q.—Were you not? It is a fact, not an opinion. Were you not superintendent of construction in 1912? A.—I understand that, I had the rurals, not charge of construction at all.

Q.—You did not make any objections to the duties prescribed for you in that circular? A.—It wasn't for me.

Q.—Did you think somebody else was superintendent of construction that summer? I want an answer. A.—I took the construction under those plant chiefs.

Q.—I didn't ask you that. A.—They took the duties away from the superintendent of construction.

Q.—What duties did they take away? Was it taken away you should supervise rural and long distance construction? A.—Yes.

Q.—But who did and how? A.—By the foreman of the plant that year.

Q.—But this is their system, it provided for plant chiefs and you have no objections. A.—Did that system work out?

Q.—I did not ask you that. I figure you were on supervision. Then when you were out, you were that. You were on friendly visits? A.—Pretty near.

Q.—What were you doing with yourself to earn the salary you drew? Of course as an honest man you wanted to give value for the money you received. What did you think you were doing. What value did you think you attempted to give for the money you drew? A.—I did all of the work that summer, laying out lines and went out seeing the gangs.

Q.—All of which would be part of the superintendent's duties? A.—I cannot say it would.

Q.—You say visiting gangs and seeing how they were getting on? A.—That would.

Q.—But laying out lines would not? A.—Well, laying out lines would not come under construction.

Q.—Why not? A.—Well, generally there is a man sent out.

Q.—I don't expect a superintendent will go out and lay it out actually.

Q.—MR. EWING:—The whole business with your employment was (you can give your opinion on this if you like or refuse) in 1912, was of the most loose character?

THE CHAIRMAN:—You will have to point out where it was loose, before we will permit that question.

Q.—MR. EWING:—Mr. Grierson, apart from this document, were your duties ever prescribed to you by anybody, were you ever told what to do? A.—What my position was do you mean?

Q.—Were you ever told what your position was apart from that document? A.—No.

Q.—Were you ever told by anybody to call into the office under the new system and told what you were to do? A.—What my duties were?

Q.—Yes. A.—Never.

Q.—As month after month and year after year went by you were not performing the duties laid out in that circular? Were you ever called to task for it? A.—No.

Q.—It simply went on? A.—Yes.

Q.—And the duties which that circular set out was to be done by the plant superintendent was done by somebody else.

MR. MACKEY:—Don't put the man in wrong, he never said that.

Q.—MR. EWING:—Except for duties you have described to Mr. MacKay, which you have done since 1912, were duties as described in this circular done by you or somebody else as superintendent of line construction? A.—I took it was done by someone else, the parties who did the construction.

Q.—Your evidence is clear in this respect. You continued in your judgment in name to be plant superintendent, I mean superintendent of line construction. The duties of line construction superintendent except the duties which you mentioned to Mr. MacKay were from 1912 on done by somebody else?

MR. MACKEY:—He has not said that. He said he supervised himself.

MR. EWING:—He has already said that. He knows it was not done by him.

Q.—(To the witness):—You have told Mr. MacKay you did certain work, went out and visited the gangs and laid out lines? A.—Yes.

Q.—Apart from that work did you do any other performed under the duties of the superintendent of line construction? A.—I cannot say I have.

Q.—If it were done at all necessarily it would be done by somebody else? A.—Yes.

Q.—Now, you said you went to Mr. Harmer on various occasions and spoke to him regarding the methods of construction by the gangs lying idle? A.—Yes.

Q.—What did he say in reply to them? A.—On the first time I saw him he seemed to take it very seriously, but after that he never made any effort to have—he did not care how it went.

Q.—You said you were sent out on some occasions by Mr. Harmer and others you went out of your own accord? A.—Yes.

Q.—Were you ever given any other instructions except to see the gangs on a few occasions? A.—Laying out lines.

Q.—Now, did you at any time receive instructions as to what your duties were apart from this circular from any other of your superior officers in the department? A.—Well, I cannot say I did.

Q.—Now then, Mr. Grierson, what you are telling this committee is this: Having received this circular in 1912, you went on in 1912-13-14 not performing the duties set out in this circular and nobody intervened to have you do any duties? A.—No, none whatever.

Q.—They didn't stop your salary? A.—No, I got it up to the end of 1914.

Q.—How did it come to be stopped then? A.—I don't know.

Q.—Did you ever seek to find out? A.—I wrote Mr. Harmer several occasions.

Q.—Did you ever get a reply? A.—No.

Q.—You never did? A.—No.

Q.—You received this circular in 1912? A.—Yes.

Q.—From the time you received that circular up to when your salary was stopped in the end of 1914, was any complaint made of the method of your doing your duties by any of the various officers? A.—No, never heard of any.

Q.—So that position you continued in for practically three years, as an officer of the company without any complaint as to the work you were doing and apart from this circular did not know what your duties were? A.—Yes.

Q.—MR. MACKEY:—Mr. Grierson, do you deny that before the end of December you were in Mr. Harmer's office and he discussed with you the impossibility of your going on any longer and pay you up to the end of December and let you go? A.—I am glad you brought that up. The end of December, 1914, I was in Mr. Harmer's office and he began humming and hawing, he said, I will have to cut expenses, I don't know whether I will be able to keep you any longer or not.

Q.—He let you go? A.—I went out after that, I wrote to Mr. Harmer I didn't get my cheque or passes, I wrote for my salary, got no answer. The last letter I said I would not write any more I was going to higher authority. I wrote to the Executive Council then.

Q.—You have skillfully avoided my question. Did Mr. Harmer tell you in December, 1914, he would pay you up to the end of December but could not continue you any longer in the service? A.—He told me—

Q.—No, no. I don't want a speech. A.—He said we have to cut expenses, didn't think I could be kept.

Q.—Did he tell you? A.—Yes, as I came out.

Q.—Then he did notify you your services would be discontinued? A.—Yes, verbally, as I came out.

Q.—That's by word of mouth, he did not pay any attention to you because he discharged you?

The meeting was adjourned at 12.30 p.m. to 10.00 a.m. Friday morning, April 14th, 1916.

FRANK WHITESIDE,
Chairman.

MEETING CALLED TO ORDER 10.20 A.M., APRIL 14TH, 1916

The following Members were present: The Hon. Messrs. Mitchell, Boyle, C. Stewart, Gariepy, Boudreau, Tweedie, Kemmis, Crawford, Blow, Michener, McNaughton, McArthur, Leffingwell, Hoadley, Campbell (Ponoka), Ewing, MacKay, Moffatt. The Hon. Mr. Whiteside Chairman.

MR. J. H. GRIERSON, recalled. MR. EWING examining:

Q.—Take the line from Castor to Coronation, do you know that line? A.—We were on that yesterday.

Q.—Then from Content to Castor? A.—Yes, I know that.

Q.—You laid that out? A.—That was built previous, there was wire strung and cross-arming done on that.

Q.—Were there any delays on that line you know of? A.—Considerable delays.

Q.—Just explain briefly what they were. A.—I know men were waiting for material on that, the foreman after he was through he told me he could have built the line for less money than it cost—

Q.—What was that?

MR. MACKAY:—Of course that is not evidence what the foreman told him.

MR. EWING:—Who told you, what foreman? A.—J. A. Fraser.

Q.—Well, now, what do you know of the delay, how many men were delayed on this line? A.—He had a gang of about 20 men.

Q.—How long were they delayed? A.—I cannot say.

Q.—Can you give us any idea? A.—I know he was delayed quite a while.

Q.—What do you mean by quite a while? A.—About a month.

Q.—What do you say was the reason of that? A.—Well, he told me material.

Q.—That is, lack of material? A.—Yes.

Q.—Do you know what particular material it was? A.—No, I don't.

Q.—Did you take any action with respect to it when you were told it was lack of material? A.—It was after the line was completed he gave me these statements.

Q.—Now, that's all of that particular branch?

Q.—MR. MACKAY:—What do you know of your own knowledge not what other people told you of this delay? When were you out there? A.—I saw him when he completed it.

Q.—I didn't ask you what he told you, did you see the work yourself, were you out there? A.—I didn't, we were passing on the road when I saw it.

Q.—How near were you? A.—I saw the foreman at different times when passing.

Q.—What delays did you see? A.—The delays he informs me—

Q.—Do you know of your own knowledge there was a single delay? A.—By what the foreman told me.

Q.—Then not of your own knowledge, I want an answer to that question. Do you know of your own knowledge there was any delay? A.—Just why would the foreman tell me, I believed the foreman.

Q.—Nobody asked you whether you believed the foreman. A.—That's my answer.

Q.—Do you know of your own knowledge, you didn't? A.—I gave you my answer.

MR. MACKAY:—Mr. Chairman, I want an answer to that question or I move the witness be dismissed.

MR. EWING:—I don't think the members have been fair to this witness. He says of his own knowledge. That's a statement a man might well misunderstand.

THE WITNESS:—I gave you the answer as far as I am going to give it.

Q.—MR. MACKAY:—Will you answer that? A.—No, I won't.

THE CHAIRMAN:—This is a serious matter, Mr. Grierson.

Q.—MR. MACKAY:—I ask you again, witness, did you know of your own knowledge that is, did you see any delays in the work? A.—As far as the foreman told me.

Q.—Did you see them? A.—No, I did not see any.

Q.—Was this foreman in the Government employ when you were talking with him? A.—Yes, he was.

Q.—MR. EWING:—Now, take the line from Strathcona to Millet, did you know of that? A.—Yes, just about the same as the previous line.

Q.—Did you lay it out? A.—It was laid out as an old line. It was taken over from the Bell.

Q.—Was any construction carried on to your knowledge? A.—That year?

Q.—Yes. A.—There were wires strung.

Q.—Do you know of any delays of that work by reason of lack of material? A.—I know the men were laid up for material.

Q.—How long? A.—On that piece of work pretty near three months.

Q.—Three months in construction? A.—What work they did was stringing wires.

Q.—That is they were three months stringing wires and putting on cross-arms? A.—Yes.

Q.—How long would it have taken if they had worked continuously? A.—Half the time.

Q.—That is $1\frac{1}{2}$ months, $1\frac{1}{2}$ months was wasted. Do you know the reason of the waste? A.—Lack of material.

Q.—Do you know how many in the gang? A.—A gang of about 20 men.

Q.—That is the usual telephone gang? A.—Yes.

Q.—The usual construction gang? A.—Yes.

Q.—MR. MACKAY:—In that case do you know of any delays of your own personal knowledge? A.—I do.

Q.—Tell us the date you visited the work? A.—I cannot give you the date.

Q.—Roughly, what year was it? A.—1912.

Q.—What time of year? A.—I cannot say.

Q.—Well, tell us whether it was spring or fall or summer-time? A.—Summer-time.

Q.—Early summer or late summer? A.—We were put on the beginning of the season.

Q.—How many times were you on the line when they were working? A.—I cannot say.

Q.—Were you over the whole line at all? A.—Yes.

Q.—Were they working when you passed them? A.—No.

Q.—Where were they? A.—South of Leduc.

Q.—Who was foreman? A.—The foreman of that line was—(hesitates and thinks).

Q.—You cannot recall the name? A.—No, not the present minute.

Q.—Cannot you refresh your memory from that diary? (No answer).

Q.—MR. MACKAY:—What materials were lacking on this occasion? A.—Different materials.

Q.—What materials? A.—Wire and insulators.

Q.—What else? A.—General material.

Q.—What do you call general material? A.—I cannot give you a list.

Q.—Then you don't know what material was lacking. The reason I am asking is you show in your earlier evidence that you were entirely wrong. Now what material was lacking? A.—I cannot say.

Q.—You said a few minutes ago it was wires and insulators, are you sure of that? A.—I know there was material lacking.

Q.—You are swearing there were wires and insulators lacking? A.—To my knowledge.

Q.—Are you swearing there were wires and insulators lacking? A.—No, general material.

Q.—You ought to know, what is general material. If material is lacking if you are general superintendent will you specify the particular kind of material lacking? A.—No.

Q.—You cannot specify? A.—No.

Q.—Why do you say there was any lacking? A.—Because they were waiting for material.

Q.—What material? A.—General material.

Q.—What do you include in general material? A.—Different lines.

Q.—What different lines? You know you have included wires and insulators, then you withdrew that. We wish to take you seriously. What material was lacking? A.—I am not going to tell you.

Q.—You cannot tell? A.—No.

Q.—You cannot tell the name of the foreman? (No answer).

Q.—You cannot tell the exact date of your visit? (No answer).

Q.—What did you do as a result of your visit? A.—I took it up.

Q.—With whom? A.—Mr. Harmer.

Q.—In writing? A.—No, verbally.

Q.—Anybody else but Mr. Harmer there. Did you discuss it with Mr. Harmer? A.—Mr. Pearce was with him on that occasion.

Q.—Anybody else? A.—No.

Q.—What did you tell him? A.—I brought it up about the gang and work of that gang and told them the foreman was no good. Mr. Pearce told me the foreman was all right.

Q.—What did you tell them about material lacking? A.—I don't remember what I told them about material.

MR. HARMER recalled: MR. EWING examining:

Q.—MR. EWING:—We have here a number of contracts made for construction of telephone lines between your department and various contractors during the years 1914-15, can you tell me from looking at them whether they are approximately all the contracts of those years? A.—No, I think there is a detailed statement made up, a comparative statement made up of the various groups and tenders received on various groups. I cannot swear here unless I had that list.

Q.—Have you that list? A.—We can get it.

Q.—Have you examined these, do you know what they are? (Referring to number of contracts on table). A.—Not since we let them. After the contracts are awarded all contracts come under the supervision of the Construction Department.

Q.—I merely want it to go on record. Here is a contract. Have you a standard form of tract? A.—Yes.

Q.—All these are all the same on a standard form of contract? A.—Yes.

Q.—This is between you and—between your department and Charles L. Elliott of Calgary? (Referring to certain contract). A.—Yes.

Q.—Now—bearing the date of 7th day of July, 1915—now can you tell me from this file what kind of extras were put in, in respect to that contract? A.—I cannot tell you, you will have to call the general superintendent or the engineer. He deals in the details of all those matters.

Q.—Can you tell from the accounts on file? A.—No, I don't think anybody could, what the extras were. I don't know what this is, but expect it is on the Calgary work. He has various contracts. This is the Calgary Exchange.

Q.—Do you mean it is in a different building? A.—No, outside of the plant.

Q.—Can you tell me what extras on that contract were, from your file? A.—The extras are what are set forth on the vouchers attached to the file.

Q.—On this file? A.—Yes, they are all set forth.

Q.—Yes, now turn up the file, let us run through, starting at the beginning of the file. Here is an extra, that is one extra, now then the extra shows \$771.80 in respect to that contract on that pay sheet. The total amount of the contract as shown is \$2330.00. A.—This is the second payment on the Three Hills Rural Contract.

Q.—Yes, this second payment shows, this second payment is \$2330.00 and the amount of extras is \$771.80? A.—Yes, the Three Hills contract was \$2330.00.

Q.—Now then, that covers work originally laid out on the plant on which he tendered? A.—There is no work started in the Province but what there are some alterations in additions to or deductions, from the time it is originally let until construction.

Q.—That is, the amount was \$2330.00 and extras as shown by the voucher was \$771.80? A.—Yes.

Q.—The original contract on that Three Hills line is \$2330.00 according to your contract? A.—Yes.

Q.—And it is customary that all rural subscribers' run-offs is extra work, I noticed that in going through your contracts. A.—Yes, but they are paid for by them.

Q.—That is supposing, in the contract what they are to get for toll and run-offs? A.—But the contractors are paid on these, no notice of change is issued against the subscriber, the cost is included in here.

Q.—This additional work here, the extras, have no bearing on the contract in the first place? A.—No.

MR. MACKAY:—Maybe I can put it this way: The run-offs will be put in the price you pay and you collect from the subscribers? A.—No. This includes the amount of work on the road allowance.

Q.—MR. EWING:—Here is an item \$771.80 for extra work outside. Here is an item of erecting 862 30-ft. poles in place of 25-ft., a difference of five feet. In other words \$344.00 extra for putting in poles five feet longer? A.—Yes, where it is necessary to put in extra leads to provide for additional toll.

Q.—When you let a contract for a piece of line you don't know what your program is on that particular district? A.—Not necessarily, frequently changes are made.

Q.—It is customary all through your contracts to change the size of the poles? A.—No, it is not customary, where it is necessary on account of the class of construction being equivalent to carrying out the pole line.

Q.—Will you say the \$771.80 is made up by changes after you made your contract? A.—Changes or conditions. I may say I can give you only general information. If you wish actual details I can only give you the policy of handling these things.

Q.—I merely wish you to identify the files. A.—I cannot do that as probably I never saw them.

Q.—I produce these as your departmental files. That is the voucher for what line? A.—That is the second payment on the Acme Rural Line Contract.

Q.—The amount of the contract as shown by this voucher is \$2125.00—now then, the extra work for the run-offs is for \$276.00? A.—The subscribers' run-offs?

Q.—Yes. A.—Exclusive of the work of subscribers was \$586.00.

Q.—Yes, \$586.00, now then turn to the next voucher, now there is a—what voucher is this? A.—Second payment on the Lusanna-Swallwell contract.

Q.—The amount of this is \$2480.00? As shown by voucher? A.—Yes, \$2480.00.

Q.—The amount of the extra work on this line was erecting four small pole lines, \$85.00. I don't suppose you let an extra contract, you just include it in that? A.—Yes, provided for in the contract.

Q.—Then the amount of the extra work is \$1229.75? A.—Correct.

Q.—Now, I produce this voucher? A.—That is the second payment on the Huxley Rural Contract.

Q.—The amount is \$1040.00? A.—Yes.

Q.—The amount of extra work for subscribers' run-offs was \$133.00? A.—Yes.

Q.—The amount of extra work exclusive of subscribers' run-offs was \$386.45. Now, I produce this contract? A.—That is the third payment on the Camrose Exchange Contract.

Q.—Yes, what was the total amount of this contract? A.—\$3800.00 of the original contract.

Q.—The amount of extra work on this contract as shown by your voucher is \$1488.25? A.—No, \$1474.00, there was a deduction.

Q.—I produce this voucher? A.—That's the third payment on the Youngstown-Oyen Long Distance.

Q.—What was the total amount of this contract? A.—\$3525.00.

Q.—The amount of the extras? A.—\$569.10.

Q.—That's all in connection with the Elliott contracts? He was sole contractor of all we have mentioned and the extras were extras in connection with his various contracts? A.—Yes, sir.

Q.—MR. MACKAY:—Now, take a contract with reference to a contemplated rural line. What do you find in actual practice? Will people say first they want a phone and when the line is begun to be constructed— A.—We never constructed a line yet to my knowledge but what there were changes made between the time it was originally laid out and the time the work was completed.

Q.—Now, take all these contracts dealing with these extras, supposing five or six farmers after it is first contracted all want service, would you give it to them? A.—Absolutely, if we have the material.

Q.—That would necessitate laying down several lines? A.—Yes, frequently.

Q.—Does that changed item come under the head of extras? A.—Yes, all.

Q.—So that largely the item of extras for the enlargement of the line, is for use of those who want service. A.—Yes, people of the Province who want service, they are mostly additions required for additional applications put in.

Q.—Necessitating the building of further lines, extending the line along the highway so that they are not extras as we understand it? A.—No.

Q.—Is it fair to say they are enlarging the scope of the contract for a number of farmers who want service? A.—Yes.

Q.—Does that apply to all of those? A.—Yes, that's the general policy all through the contracts.

Q.—Do you know as a matter of fact, as the service is enlarged and more farmers put on would you have any expense which would not naturally come under the original contract by way of re-building corners? A.—Where it is necessary to enlarge the service or put on additional pole line or circuits, it necessitates changes in the existing pole line to give them that accommodation.

Q.—Take that Camrose Exchange, can you explain what those extra items cover, why were they necessitated? A.—Well, you cannot get the details—

Q.—I don't want the details as to that contract, but can you give it to me generally what necessitates the enlargement of it? A.—It's the conditions under which we find it necessary to carry out the work. For instance from the time the contract is let until it is completed there are conditions existing in the exchange which necessitates taking on additional work over and above that of the originally contemplated.

Q.—Under that Camrose Exchange there is an item, Extra \$771.80; would have adding of additional rurals have any effect to what you would have to do with the Camrose Exchange with respect to enlarging that contract? A.—Yes, it has in every case I suppose. It would in the Camrose. When you bring in additional rural line service you must make changes in the exchange plant to provide for the rurals.

Q.—So that although the word extras used in these vouchers, your explanation amounts to this, it is the enlargement of the contract to give larger public service? A.—Yes.

Q.—Is it paid for in the original contract? A.—Yes.

Q.—MR. STEWART:—Do you, as a matter of fact, let contracts for the rebuilding of exchanges? A.—We do.

Q.—It is all contract? A.—Yes.

Q.—MR. CRAWFORD:—You say after you start a contract line, there are always more applications coming in for phones then what you have previous to the time you start construction? A.—Yes, there may be cancellations also, necessitating a change of the whole program.

Q.—These extra applications coming in make it necessary for you to make additional

expenditure in the enlargement of the construction of the program? A.—Where we find it possible to do so consistent with the material we have.

Q.—Take those various items where you call for a contract you change the size of the poles in some cases. The contract calls for 25-ft. in cases you change it to 30-ft., you allow a difference of 40c per pole. Are the changes in the size of these poles made due to extra applications for service? A.—It may be and also may be necessary to take care of further business, to take care of heavier leads, to take care of future business in following years. But it may be considered judicious at the time.

Q.—MR. EWING:—Would you not have that in consideration when you place the contract? A.—Conditions may change.

Q.—Yes, but I have this suggestion to make: Perhaps Mr. Harmer may be good enough to go through the various contracts and make up a tabulated statement showing the date of the contract, name of the contractor, description of the line briefly the total amount of the contract and amount of extras. The extras to be sub-divided into subscribers' run-offs and other extras. Is there any objection to that. This is for the year 1914-1915.

The Committee understand that is to be done and the meeting adjourned at 11.10 a.m.

FRANK WHITESIDE,
Chairman.

MEETING CALLED TO ORDER AT 10.20 A.M., APRIL 15TH, 1916

The following Members were present: The Hon. Messrs. Mitchell, Boyle, C. Stewart, Gariepy, Tweedie, Kemmis, Crawford, McNaughton, McArthur, Tobin, Leffingwell, Hoadley, Campbell (Ponoka), Ewing, MacKay, Moffatt. The Hon. Mr. Whiteside, Chairman.

MR. ROBERT B. BAXTER, duly sworn on the Bible, testifies as follows:—

MR. MACKAY examining:

Q.—MR. MACKAY:—How long have you been in the service of the Telephone Department? A.—Since June 4th, 1907.

Q.—You are still in the service? A.—Still in the service.

Q.—What is your present position? A.—Plant Chief, Calgary District.

Q.—What district? A.—Calgary.

Q.—Were you in this northern country in 1912? A.—Yes.

Q.—1913? A.—Yes, part of 1913.

Q.—Do you know Mr. J. H. Grierson? A.—I do.

Q.—Have you had anything to do, or do you know anything of the construction of the line from Hardisty to Provost? A.—I was in charge of that construction.

Q.—Have you the pay sheets here? A.—I have.

MR. MACKAY:—Produce them to the Committee.

Q.—You have been over those, have you gone through the payrolls on that line? A.—Yes.

Q.—Where did the work begin, where? A.—Begun at Hardisty.

Q.—How many men? A.—Five men and foreman.

Q.—What date? A.—On May 21st, 1912.

Q.—For what length of time were there only five men? A.—Until June 10th, 1912.

Q.—Until June 10th. Have you gone over all the pay sheets? A.—I have.

Q.—Were there at any time 30 men in the gang? A.—No.

Q.—Were there ever 25? A.—No.

Q.—What was the highest at any time? A.—22.

Q.—How long did you say the gang consisted of 5 men? A.—Until June 10th.

Q.—How many times were you out there if you were out, between May 21st and June 10th? A.—Twice.

Q.—It is suggested here by the evidence of Mr. Grierson there was a delay in the work of the gang all along, what do you say with reference to this first period from May 21st to June 10th? A.—From May 21st to June 10th they were working digging holes out of Hardisty, setting poles.

Q.—Was there anything to prevent them doing their full work whatever? A.—No.

Q.—What do you say actually, having inspected the work and having been there, of doing the work? A.—They did.

Q.—Beginning June 10th was the gang increased? A.—Yes.

Q.—From the pay sheets, can you give me the number of men according to the different pay rolls without going through them? A.—June 10th to 15th it was increased to 1 foreman and 10 men, 4 linemen, 1 cook and 2 teams. July 1st, 1 foreman, 15 men, 1 cook. July 15th, 15 men, 1 foreman and cook. August 2nd, 1 sub-foreman, 4 linemen, 8 ground men, 1 cook, 2 teams. August 15th, same gang. Sept. 1st, gang was increased to 22 men and 2 teams and foreman.

Q.—Was any part of that line, if so how much, were poles put in when the cross-arms put up? A.—About ten miles.

Q.—How many miles in the whole distance? A.—About between 70 and 75, I am not just sure.

Q.—What was the reason if there was a reason, that the cross-arms as to those ten miles, were not fastened to the poles before they were put up? A.—We were short certain part of the hardware the first ten miles.

Q.—Have you anything to do with supplying the hardware as plant chief? A.—It was my business to see the proper people were notified if the hardware wasn't there.

Q.—Did you notify the proper people? A.—Yes.

Q.—Can you give us a cause of the absence of hardware on that line at that time and for a short time prior to it? A.—I understand the hardware could not be had in the stores, that is the manufacturers had been slow in making shipments into the stores of that particular hardware.

Q.—Did you know anything of railway congestion in 1912? A.—Yes, we had railway congestions in 1912.

Q.—He said it cost three times as much to put cross-arms on when the pole was up as it does when it is down? Is there any difference? A.—My experience is about the cost, there is a difference of about five or ten cents on each cross-arm.

Q.—Now, Mr. Grierson gives his opinion if he did not have all material there, that is bolts, wires, etc., necessary for stringing, it would be better to lay idle until all came. A.—No.

Q.—Did you work under Mr. Grierson in 1907, Wetaskiwin to Camrose? A.—Yes, was foreman, Mr. Lee was foreman on the gang, Grierson was superintendent of construction.

Q.—What did you do there? A.—We built from Wetaskiwin to within six miles of Camrose.

Q.—How many miles would that be? A.—16-18 miles.

Q.—Without wire being put on the poles and the gang went back and strung the wire on, that is the linemen? A.—Yes, the linemen.

Q.—That is the time he was superintendent. Were there different sets of men, the ground-men and the men who strung wires? A.—The ground-men put in the poles and the linemen strung the wires. Ground-men were laborers while the linemen were mechanics.

Q.—Is it practicable to string wires as you did? A.—It is done both ways.

Q.—Which is the better way, which makes less loss of time, if you put on the linemen and let them have a stretch of 30 miles ahead of them or if you come back— A.—It depends on conditions.

Q.—There need not be a loss in either case? A.—No.

Q.—Now, how many miles did you say it was from Hardisty to Provost? A.—70 to 75.

Q.—Mr. Grierson told us there was just about one week's work to do all that. A.—You mean to do 70 miles?

Q.—Yes, is there any sense in a statement of that kind? A.—There is no sense in saying that 75 miles can be built in a week.

Q.—I wish you would read page 97 of his evidence and you will see there he says there will be about 1 week's work. How often were you out on this line? A.—May 31st, June 1st, June 25th, June 26th, July 18th, July 19th, July 31st, August 23rd.

Q.—As an experienced man when you made those visits had you an opportunity to judge if there was any waste time? A.—I did.

Q.—Were there any delays in building? A.—We did have a slight delay on the start in connection with material.

Q.—What material? A.—That is, as far as the line work went, we did not have any delay with the working of the men, we had on the gangs.

Q.—What slight delay did you have, if any? A.—The slight delay would be putting on cross-arms afterwards, after the line was up.

Q.—I think you told us during the erection of the 10 miles the cost would be increased five or ten cents per pole. Was there any other delay in construction of the line? A.—There was always sufficient work for the men we had in the gang.

Q.—Was there anything during your visits to indicate the men were not doing proper work? A.—No.

Q.—What do you say of your general knowledge as to the time it would take to construct that 70 miles? A.—It was completed within reasonable time.

Q.—How long did it take to complete the line; from May 21st to when? A.—It was early in September, about the middle of September or thereabouts. They moved from Provost to Millet during that time.

Q.—Is there any sense in this statement if a man is foreman and has not wires although he can put up the poles and cross-arms, that he would not put up the poles and cross-arms he would have the men lying idle there until the wire came? A.—No, I should not think so. The pole work is most important and heaviest in the work of constructing a line.

Q.—Then you if the wire did not come, you could put up the cross-arms? A.—Yes, I would.

Q.—Would a man be fit to do anything in construction of telephone lines if he did not ?
A.—I would not use him as foreman.

Q.—Take the Camrose-Kingman line, do you know anything about that, did you have anything to do with that ? A.—The Camrose-Kingman line was started on or about May 10th or between May 10th and May 5th, and completed on July 15th. But during that time we built rural lines in that locality between Kingman and Camrose.

Q.—What is the distance between Kingman and Camrose ? A.—About 18 or 20 miles I should say.

Q.—Speaking from recollection what length of rural lines did you build in that time ?
A.—About 25 miles approximately.

Q.—Now, there is a suggestion in Mr. Grierson's evidence that six weeks were wasted there, what do you say as to that ? A.—The length of the job was about eight weeks.

Q.—That would leave about two weeks to complete that job ? A.—Well—

Q.—Is there any sense in that, is there any truth in that ? A.—There was not six weeks wasted on that line.

Q.—Were you delayed as to insulators ? A.—We were short of insulators but not delayed.

Q.—When the insulators were not available what did you do ? A.—Went ahead with other work, stringing wires and completing work with the exception of putting on the insulators.

Q.—They were put on afterwards ? A.—Yes, they were put on afterwards.

Q.—What do you say without going into the details, for I don't think it is worth while—whether the work from Camrose to Kingman was done with reasonable expedition, within reasonable length of time ? A.—It was done within reasonable length of time.

Q.—You say you put in a number of rural lines around Camrose to Kingman, did you rebuild any lines as well ? A.—Yes, a portion of the line between Camrose and Kingman, 8 miles, which had been built here previous to 1911 for rural lines.

Q.—All told how many miles did you build; how many did you rebuild ? A.—I should say in the neighborhood of 50 miles.

Q.—50 miles built ? A.—Yes, all told.

Q.—How many did you rebuild ? A.—8 miles. I told you previously we built 25 miles of rural in that vicinity and 20 miles of toll line and there was other work done on the way back.

Q.—Had you a good opportunity during that time of seeing whether the men did their work properly ? A.—I visited that line.

Q.—But had you ? A.—Yes.

Q.—How many days all told in the eight weeks were you over there ? A.—About 18.

Q.—And what do you say as to that line, whether there was any waste or delay barring what would be a little loss that you say because of insulators for a certain number of miles were not there ? A.—We always had sufficient work to go ahead with.

Q.—Did they go ahead with the work ? A.—Yes.

Q.—I wish to call your attention to this, there is a suggestion in the evidence at page 105, that the men had been lying idle for six weeks in that eight weeks doing nothing.

A.—That would be impossible.

Q.—Except for the time the insulators had not arrived was there a lack of any material of any kind in the building of this 50 miles ? A.—We always had sufficient material to go ahead with.

Q.—What do you mean by that ? A.—I mean if we were short of anything on the rural line we would go ahead and put in work where we had the cross-arm leads.

Q.—Was there any lack of material which wasted time or delayed you ? A.—With the exception of insulators I shouldn't think so.

Q.—And you were there 18 times and Grierson only was there once. Do you know or had you anything to do with building the line from Camrose to Meeting Creek ? A.—Yes.

Q.—How many miles roughly is that ? A.—I think that is around 35 miles.

Q.—It is at that point there were 30 poles cut down and burnt up as if it was waste ?
A.—Between Camrose and Meeting Creek ?

Q.—Yes ? A.—No, I don't know of 30 poles being cut down and burned.

Q.—What was done which may fit in with that statement ? A.—I remember 30 poles which were taken down, which had been up considerable years on the rural line from Botha. It is quite possible that few of the poles were absolutely no use and might have been burned. We use logs in anchoring and poles would be used for anchors also. Poles of that description would make good anchors. There would be about 30 poles in that section.

Q.—Was there any delay in building that line or waste on the part of the men ? A.—That covers quite a lot, Mr. MacKay.

Q.—All right give your own answer. A.—We always had sufficient material to go ahead with on the work.

Q.—Take the line from Vegreville to Ryley. Do you know that line ? A.—No.

Q.—That wasn't in your district ? A.—No.

Q.—Whose district was that in ? A.—Richards.

Q.—Then there was Castor to Coronation. Was that in your district ? A.—Yes.

Q.—What day, about what day was that work begun? A.—The line was commenced on September 19th and completed on October 19th.

Q.—Where do you get your dates from? A.—My Progress Reports which go in, which are sent in weekly.

Q.—I call your attention to what Mr. Grierson says. (Reads from evidence): He was there on 10th September and gang was lying idle. A.—My dates are actual dates.

Q.—Give me the dates again. A.—Commenced September 19th, 1912, and completed on October 19th, 1912.

Q.—Would it be possible for a gang to be there on the 10th September lying around without material or work or in any other capacity? A.—No, my Progress Report will show that on them.

Q.—On September 10th? A.—No.

Q.—Mr. Grierson said there was a gang there September 10th doing nothing. Were men there to start work? A.—The men were working around Castor. They had come in from a long distance between Nevis and Castor, working on rural lines in that vicinity.

Q.—Let me call your attention to another thing; he puts the day he complains of between the 23rd August and 10th of September and you say at that time the reports show work was not begun until the 19th of September? A.—Yes.

Q.—Was there any delay in the building of that line? A.—There was a small delay on the start, the men were without six digging spoons which we had run out of.

Q.—You were unable to get them? A.—We had four or five but the men were sent ahead to dig anchor holes and work with the spoons we had.

Q.—It is evidently fair to say his dates are wrong. Were the men idle? A.—No, they were digging anchor holes. The four or five spoons they had they were working with those and getting other work in connection with the line, that is framing of poles, staking out the line and doing work in connection with the line.

Q.—Now, outside of the inference created by the two or three days' delay at Ryley for those 6 spoons, was there any other delay you know of? A.—No, we built that line in approximately one month, which is pretty good time.

Q.—Now, the Ferintosh long distance line. Did you have anything to do with that? A.—Yes.

Q.—Some statement is made that he found the gang without material there and they were that way about one week. A.—No, we did not have that gang in there a week without material.

Q.—Was there any delay of any kind on account of material. His statement is specific these men were lying there without work for one week. A.—When the gang started out we were doing line work to They continued as a pole gang to Ferintosh, there was sufficient poles strung right through to continue work.

Q.—Were you there? A.—Yes, to the best of my knowledge.

Q.—Why do you say best of your knowledge. Were you there frequently? A.—Yes.

Q.—Was there anything special about that which caused delay with reference to the Ferintosh long distance? A.—No, there should not have been.

Q.—Do you know how long the work took? A.—Mitchell was in there the latter part of September.

Q.—Who is he? A.—Foreman.

Q.—Sam Mitchell? A.—Yes.

Q.—The latter part of September? A.—Yes, he was out until about December but he went through to Mirror.

Q.—Were you out from time to time that fall? A.—Yes, I would be there at least twice per month.

Q.—What do you say, as an experienced man, was there good work done or not? A.—We had good work done on that line.

Q.—Was Mr. Pearce out to either of these lines I speak of? A.—Yes.

Q.—Which one? A.—Both.

Q.—Which both? A.—Ferintosh and the one you brought up previously from Camrose to Meeting Creek.

Q.—He was out to both? A.—Yes.

Q.—What position did Pearce occupy? A.—He was our Plant Chief.

Q.—Plant Superintendent of all Plant Chiefs and districts? A.—Yes.

Q.—Do you know why Pearce went out to Ferintosh line? A.—I understand he had a report in we were only to Ferintosh with the line.

Q.—The report was sent in by whom? A.—I believe by Mr. Grierson, also that we were delayed in the work and had no material to work with.

Q.—And account of that he went out? A.—Yes, next morning.

Q.—Where did he find you at Ferintosh? A.—About 19 miles beyond.

Q.—So the report was 19 miles out? Was there any delay? A.—No, we did not find any.

Q.—Then Mr. Pearce was out during the work on the Camrose-Meeting Creek line? A.—Yes. We drove from Ferintosh to Meeting Creek.

Q.—Pearce did? A.—Yes.

Q.—There was a different gang there? A.—Yes.

Q.—Any delay there? A.—No sign of delays, the gang was working.

Q.—Did you understand Mr. Grierson to say in his report that they were lying idle down there? A.—Yes, I understood so.

Q.—You went there, you found them getting along all right? A.—Yes.

Q.—Had you anything to do with the construction of the line from Strathcona to Millet? A.—I had south of Leduc.

Q.—Leduc to Millet? A.—Yes.

Q.—How many miles is that? (Witness does not know for sure and the Hon. Mr. Tobin states between 12 to 13 miles).

Q.—There is a complaint of waste of time there. Mr. Grierson states definitely that on that line three months were taken to string that wire when it should have been done in 1½ months. What do you say? A.—That covers from Strathcona, that 3 months?

Q.—Yes? A.—I don't think it could be done in 1½ months. We rebuilt the line leaving Leduc, rebuilt all corners on that line, put in new anchors, straightened up all poles, cut out 2½ miles of old material which was on the old trail and built in two miles of straight line, cutting out 18 corners.

Q.—Do I understand you to say you shifted from the old trail to the regular road? A.—Yes.

Q.—Just at that spot—was there any differences on that, did Grierson want you to leave the trail? A.—Yes, he didn't take it up with me but spoke to Mr. Pearce.

Q.—What else did you do? A.—We moved the poles out from private property to the road allowance this side of Millet about one mile, of course rebuilt the corners as we went along. We also pulled slack on all circuits on that line.

Q.—He speaks below Leduc you lacked wires and insulators and there were delays. A.—No, that job we were on about one month previous to going there.

Q.—Then there is no truth in the statement there was no wire south of Leduc? A.—There is no truth in that.

Q.—Was there a lack of insulators? A.—No, I don't remember a lack of insulators.

Q.—Speaking generally of your own knowledge was there a delay occasioned in any part of the work? A.—No, there was no delay south of Leduc on that line.

Q.—Do you remember how many men you had or did the men do proper work—in a business way—while you were with them? A.—Yes.

Q.—You have already told me the wire was there a month ahead. A.—Yes.

Q.—Mr. Grierson swears you had none; you are speaking of your own knowledge? A.—Yes, of my own knowledge I say the wire was there.

Q.—Taking that year—1912—Mr. Baxter, on any or all lines which you were constructing was there anything done, was there any appreciable loss of public monies because of anything that happened? A.—No, I should judge not, there were little difficulties which you will experience in any business.

Q.—Of course, in that year we had trouble in moving freight and trouble in getting hardware, I understand, on account of the manufacturers not being able to supply it.

MR. EWING (Cross-examining):

Q.—What was your position in 1912? A.—I was plant chief, district plant chief.

Q.—How long have you been engaged in telephone construction? A.—I started in telephone business in 1904.

Q.—Where? A.—In Quebec, Province of Quebec.

Q.—When did you enter the employ of the Government? A.—June 4th, 1907.

Q.—With whom had you been prior to that? A.—The Bell Telephone Co.

Q.—Where? A.—Province of Quebec.

Q.—Now, in 1912 you became district plant chief? A.—Yes.

Q.—Who did the duties of district plant chief prior to 1912? A.—There was a complete re-organization.

Q.—Yes, but who, prior to 1912, did the work? A.—Mr. Johnson handled part of it, Mr. Pearce part of it.

Q.—Did Grierson handle part of it? A.—Yes.

Q.—As a matter of fact the work which you were doing in your district during and after 1912, after the re-organization, was work which Grierson had previously done? A.—Not altogether.

Q.—But generally speaking it was? A.—No, Mr. Pearce did a considerable portion of it.

Q.—What portion did he handle? A.—Maintenance.

Q.—I am speaking of construction. A.—Odd construction.

Q.—What do you mean by odd construction? A.—Any floating gang work.

Q.—What is a floating gang? A.—One which travels around the country doing work which you don't think large enough to put a gang on regular.

Q.—But the general work which previously had been under Mr. Pearce fell to you under the new plan. Apart from the odd jobs, the general construction work which had been under Grierson, under the new system fell to you? A.—Yes, to me and to Mr. Grierson.

Q.—What part had Grierson to do with it; what part of his previous duties did you take over? A.—I really took the detailed portion of Mr. Grierson's work in the field;

they had a large number of gangs and it would be almost impossible to supervise the whole of it.

Q.—You had known Mr. Grierson from 1907? A.—Yes.

Q.—You had been intimately associated with him in telephone work? A.—No, not intimately, I worked for his foreman at different times and worked in the department while Grierson was superintendent.

Q.—You came a great deal in contact with him in the work which he was doing in the Telephone Department? A.—Yes, considerable.

Q.—Would you express an opinion as to his capacity of the work he was doing prior to 1912?

MR. MACKAY:—Is that a fair question?

MR. EWING:—Yes, I think so.

A.—THE WITNESS:—Do you wish an answer from me of my personal opinion on Mr. Grierson's work as superintendent of construction?

Q.—Well, on the work he was doing; I am not asking you concerning some work he was doing elsewhere, just the actual work which he did. A.—We had a great many of Mr. Grierson's lines which were hardly considered well taken care of, that is well constructed.

Q.—They were not considered well constructed? What line was not considered well constructed? A.—You can probably take the Banff line for instance.

Q.—You say the Banff line was not well constructed, in what respect? A.—The proper guy wires were not used, proper anchors were not put in and two-pin cross-arms were put on from Calgary to Banff which is never considered good policy in the telephone business.

Q.—Now, have you looked into the specifications regarding the construction of that line? A.—I worked on that line.

Q.—You know who laid out the specifications for that line? A.—I understand Mr. Grierson. I was working as lineman, I would not know much about that; I know he was superintendent and the only man who would be in a position to decide about that line.

Q.—He would be the only man who would decide that sort of thing? A.—Yes, to the best of my knowledge.

Q.—You are now basing your criticism of Mr. Grierson's capacity—

MR. MACKAY:—That's hardly fair to ask, seeing you asked him for his opinion.

A.—THE WITNESS:—That's what you asked, wasn't it?

Q.—And his work? A.—Of his work only.

Q.—Now, have you any other complaint to make? I would like to know if there is any other thing in connection with this work to which you take exceptions? A.—Well, Mr. Grierson did a lot of work.

Q.—Yes, I know. A.—And that covers a lot of ground. Do you wish all the details?

Q.—Do you know of any work which he did satisfactorily?

MR. MACKAY:—Are you limiting that to any date, Mr. Ewing?

MR. EWING:—No, I want to know generally. A.—THE WITNESS:—Do you mean which turned out satisfactory?

Q.—Yes. A.—We may have had some rural lines.

Q.—But you do not know of any? A.—I cannot give you any specifically which were done satisfactory.

Q.—None? A.—Not altogether, I can give you portions of lines.

Q.—How many miles of line did he construct according to your knowledge, speaking roughly? A.—I have never looked into this matter.

Q.—But you were with him 1907 to 1912. In these five years can you give any estimate of the amount of lines which Grierson constructed?

MR. MACKAY:—I suppose there will be returns which can show you accurately.

A.—THE WITNESS:—I wasn't with him and wasn't familiar with the southern part of the Province.

Q.—What portions are you familiar with? A.—The centre sections.

Q.—And in the centre sections from 1907 to 1912 you cannot name any which were satisfactorily constructed? A.—Which were absolutely satisfactory? Which we did not have to change afterward?

Q.—Owing to faulty construction? A.—Yes, in some cases.

Q.—Were any complaints ever made by anyone about these? A.—To my knowledge I heard so many complaints that I don't—

Q.—But to your superior officers, to Grierson? A.—I cannot say.

Q.—You heard a great many complaints? A.—Yes.

Q.—These were not communicated to his chiefs? A.—Not so far as I know.

Q.—Then your statement is from 1907 from the time you entered the Telephone Department until 1912 or as long as Grierson continued, work which he did, was not wholly satisfactory? A.—I would judge so.

Q.—It was improper work, you are a lineman, you would know? A.—Yes, I would know.

Q.—Well, his work was, as far as you did see, improper and unsatisfactory? A.—I would not make that statement.

Q.—You told us some portions of the rural lines were satisfactory but apart from these

portions of the rural lines, any construction work which he did, he was doing in five years, it was unsatisfactory because it was improperly done? A.—I would consider a good portion unsatisfactory.

Q.—And Mr. Grierson—you did not report it to anybody, what you found on this subject? A.—It was not my business.

Q.—As a matter of fact you did not do it? A.—I have reported it to Mr. Pearce.

Q.—Was he over Mr. Grierson? A.—At the time Mr. Pearce was not, was not over Mr. Grierson.

Q.—How many reports did you make to Mr. Pearce? A.—I cannot say.

Q.—About how many? A.—They were quite numerous.

Q.—You and Mr. Pearce talked it over a great many times? A.—No, Mr. Pearce was my superior officer.

Q.—Did you make your report in writing? A.—No, not at that time.

Q.—Did you make any reports in writing of Mr. Grierson's improper work? A.—No, it was not my place.

Q.—But you reported frequently; it was your place to report? A.—It was my privilege to discuss that with Mr. Pearce or make any suggestion which would benefit the department.

Q.—You reported frequently, but it was not your privilege to report in writing? A.—It was my privilege but not my business.

Q.—Then you took the privilege although not your business?

MR. MACKAY:—That's hardly fair.

Q.—MR. EWING:—It might have been your duty if you saw improper work going on to mention it. A.—It was my duty to mention it, improper work, to Mr. Pearce.

Q.—You had mentioned this on quite a number of occasions? A.—What time?

Q.—1907 to 1912? A.—No, the latter part of 1911, I cannot go back further than that.

Q.—But you had noticed this work from 1907? A.—Portions of it.

Q.—You discovered almost immediately after you came that Grierson wasn't a competent man? A.—No, it was not my business to discover it.

Q.—But I am asking if you did? A.—In what capacity?

Q.—In the work he was doing. A.—I was a lineman at that time, I wasn't a foreman.

Q.—So in 1907, shortly after you came, you did discover Grierson incompetent? A.—I discovered it to the extent of the certain classes of material they were using.

Q.—To what extent are you basing your criticism of Grierson on the class of material which was being used? A.—Do you want instances?

Q.—I say, is that on what you based your criticism of his incompetency, on the class of material which was being used? A.—No, not altogether.

Q.—What class of material was being used? A.—A good portion of No. 9 iron wire used for guys.

Q.—That was in 1907. It was continued to be used right up to 1912? A.—It was used in a good many places, I won't say to 1912, because others came into the system and changed the methods.

Q.—Who? A.—An engineer.

Q.—Who? A.—Hagman.

Q.—Just before he came on, when did Hagman come on, when this method was changed? A.—I am not sure of the date.

Q.—About what year? A.—1909, I believe, or 1910.

Q.—From 1907 to 1910 do you know who purchased the wire? A.—No.

Q.—Do you know anything about supplying of the wire? A.—No.

Q.—Do you know who decided what wire should be used? A.—I have heard Mr. Grierson say he decided in some cases what should be used.

Q.—Who would decide in other cases, you don't know who did decide? A.—I would say the decisions would mostly lie with Mr. Grierson.

Q.—You said you heard Mr. Grierson mention some cases which he had dealt with, who would deal with the other cases? A.—I presume Mr. Grierson.

Q.—Do you know anything about it? A.—Yes, I know that Grierson was superintendent of construction in those years and the superintendent of construction would call for certain classes of material on certain lines if there was no engineer on the system which there was not at that time.

Q.—It would be his duty to decide on all material? A.—Most of it.

Q.—What would not be decided on by him? You say most of it? A.—He may not decide on class of copper wire which would be used, the traffic department might have a bearing on that.

Q.—So you came to the conclusion in 1909–1910 that Grierson was not efficient because he used No. 9 iron wire? A.—Not altogether on that account.

Q.—What other account? A.—From general observation of the construction being put in.

Q.—I want to get some opinion of his general inefficiency, what were your observations as to the class of construction? A.—Just what do you refer to there, as to my observations of the class of material?

Q.—Yes? A.—As I gave you before, the Banff line, weight anchors were put in, the class of cross-arms used on the Banff line—

Q.—What have you to say about that? A.—I would never say to use two-pin cross-arms on Class A Pole Line.

Q.—Was it a Class A Pole Line at the time it was constructed? A.—It was set Class A, that is the poles were set according to Class A.

Q.—How were the poles set in that line? A.—About 40 poles per mile.

Q.—That's Class A Pole Line? A.—Yes.

Q.—Because he put in two-pin cross-arms that was a fault in construction? A.—I would consider it so.

Q.—What other faults of—by the way when was the Banff line completed? A.—It was completed in 1907.

Q.—Did you report that at all? A.—No, I was merely a lineman.

Q.—You never discussed that with anybody? A.—No.

Q.—You just considered that was improper construction? A.—Yes.

Q.—What other improper construction did you notice? A.—The anchors on that line were not properly put in, they were changed afterwards.

Q.—When were they changed? A.—I was working on that line in 1907, practically up to 1908. And between that time and 1912 they were changed.

Q.—Under whose direction? A.—I cannot say. I drove over the line afterwards and found the anchors had been changed.

Q.—Is that an expensive thing to do? A.—Yes.

Q.—Owing to the fact that there was improper construction in putting on the wrong type of cross-arm, is changing or remedying that a fairly costly procedure? A.—It would involve considerable expense.

Q.—What other defect had you noticed in Mr. Grierson's work? A.—I noticed he frequently used barbed wire for head guys or that barbed wire was used for head guys.

Q.—Is that quite improper? A.—Yes, I consider it so.

Q.—What was the cost of remedying that. Fairly high? A.—It may not have been, it depends what the conditions are.

Q.—What other defects had you noticed in his work? Had you noticed any? A.—Yes, bringing his line into town, he would not use the proper class of poles. Any town of any size.

Q.—That, I suppose, is a serious defect? A.—Depending how it was changed and under what conditions they had to be changed it possibly would be serious.

Q.—Were they serious in Mr. Grierson's case? A.—I cannot say, I don't know.

Q.—Under what conditions were they changed? A.—Great many of them were changed afterwards.

Q.—That is his work had to be done over again by reason of his not having properly done it. That's true? A.—Yes, part of his work.

Q.—That doing his work over again is a fairly expensive process? A.—Depending on conditions of the work, having to be done over.

Q.—Can you mention any other defects in his work in these early years? A.—That same would apply to a great many lines.

Q.—I gather from what you say there was an improper construction under his superintendence during those five years. In a great many particulars? A.—No, during those five years we had men in there, put in possibly 1908–1909 who had a certain amount of specifications and work.

Q.—They were men who were experienced or experts in that line of work? A.—I don't know that personally.

Q.—But they were men in the employ of the department who would be in a position to know his defective work? A.—I don't know what relationship they had with Mr. Grierson.

Q.—Can you tell me this, I merely want an opinion or estimate: You have been intimately associated with the construction all these years, can you tell me what percentage of loss this Province suffered by reason of Grierson's defective work? Can you give me some estimate? A.—No.

Q.—You cannot give me any estimate? A.—No.

Q.—You say there was a certain loss and a certain amount of cost in remedying the defects? A.—But the amount of the cost would depend on conditions the work called for.

Q.—But you say his work was defective in nearly all cases? What would it cost in relation to the original cost, to remedy these defects? A.—I cannot say.

Q.—Can you give us any idea? A.—No.

Q.—You are an expert in your line, are you not? A.—I have had several years' experience.

Q.—You are well acquainted with the telephone construction? A.—Yes.

Q.—You say there was defective work going on all these years and cannot give us some idea?

MR. MACKAY:—His answer would only be in 1907, he said in 1908 and subsequent years a man came in.

Q.—MR. EWING (to witness):—What do you say as to that? A.—What is your question?

Q.—You said there was defective work when you came here in 1907? A.—Yes.

Q.—And the defective work continued up to 1912? A.—No, I didn't say that.

Q.—What did you say? A.—In connection with what?

Q.—In connection with the defective work done by Mr. Grierson? A.—How long do you mean?

Q.—Yes. A.—I cannot say, I knew there was defective work in 1907. We had other engineers come in and change the specifications and class of material used and naturally the work would be changed.

Q.—You say between 1907 and 1912 there was other men came in who made out specifications, that's what you say? A.—Yes.

Q.—Owing to the work which Grierson had previously been doing? A.—Yes, but only part of it.

Q.—At least as far as the specifications were concerned, these engineers which came in in 1908 did the work Grierson had been doing? A.—Part of it.

Q.—Part of the specifications? A.—Yes, as to the class of material used.

Q.—What do you say as to the class of material used after 1908, who made out the specifications? A.—I presume the engineer.

Q.—That is, you would not presume it would be Grierson? A.—I don't know, I presume it was Grierson.

Q.—Was the defective work—what other defective work did you notice subsequent to 1908? A.—Defective classes of work in some instances.

Q.—What instances did you have defective classes of work? A.—In 1909 the construction foremen appeared to be allowed to make their own specifications on the job in some cases, where they cared to make the work, they were allowed to change over the class of work.

Q.—Did they do that in a good many cases? A.—I cannot say.

Q.—Do you know they did it in any cases? A.—Yes.

Q.—To the betterment of the system? A.—Depending on the results afterwards.

Q.—That is if they changed it to the betterment of the system you had no criticism?

A.—If it was done to the betterment of the system I would not.

Q.—Was it done to the betterment of the system, in the cases you have known the men to change the work? A.—I—(hesitates).

Q.—Was it? A.—A standard specification was made to apply on defects.

Q.—That has nothing to do with the question I asked. I am asking for the defective work from 1908 on—now, you told you it would be material, because the selection was taken out of his hands, then you say certain classes of work, what classes of work were they? A.—I have seen style B corners built.

Q.—That is not a good method of construction? A.—That would depend on the outcome.

Q.—But if it is a good method of construction it is not a defect. I am asking about defective construction. A.—That covers a lot of work.

Q.—Well— A.—We build in construction, for future use and if we build corners which can be used any way and the following year or a year afterwards we use that corner, if the corner is put in wrong and we never have to use that particular road the corner will possibly stand all right.

Q.—But the method of style B corners was not good construction? A.—I would not consider it so.

Q.—I suppose style B corners where constructed, it is an expensive thing to alter it to a better style of construction? A.—That would depend on conditions.

Q.—But conditions which prevail in Alberta? A.—Well, different conditions may prevail in almost every corner which you may contract.

Q.—Were there any you could re-construct for nothing? A.—If they had to be taken down and replaced to heavier class of work it would be different and the cost of a one-way corner would be nothing. That is if you are replacing a 30 ft. lead with a 40 ft. lead, originally if the corner was good or bad, it would have to be re-constructed.

Q.—Which I presume would cost money? A.—But it would not cost any more to take it down if built wrong than if built right.

Q.—But if right, you would not take it down. A.—You would if putting up a heavier class of line.

Q.—But if a heavier class of line were necessary you would put it in at the start. A.—No, not in all cases.

Q.—Now, I don't want to fence with you, I want to get at the question.

MR. MACKAY:—His last answer was if it was known, yes.

Q.—MR. EWING:—I started out to ask you, you said it was a defect on Mr. Grierson's part, but if it could not be foretold and he put in the proper corner at the time, it was no defect? A.—No, if he put in the proper corner.

Q.—Did he put in the proper corner? A.—Not in some cases.

Q.—But I am speaking of those cases where he should have put in proper corners, to remedy the corners which he did not, would be a fairly expensive operation? A.—Depending on conditions. Every corner which you replace has practically different conditions.

Q.—But if it was replaced from a corner which he did build to a corner which he should have built, it would be a heavy expense? A.—If a heavier class of line was necessary at a later date, no.

Q.—I am asking you now, what would be the difference in cost in changing in having built this corner to build one which he should have built? A.—At the time the corner was constructed originally?

Q.—Yes. A.—If a two-corner could be constructed for the same money practically there might be.

Q.—Then there is the loss of cost of one-corner in taking down the defective corner and re-constructing the proper corner. A.—Not in all cases.

Q.—They were defective, were they not? A.—They should not have been built that way.

Q.—What was the loss then by reason of their not having been built that way? A.—I cannot say, it depends on conditions they were changed.

Q.—You admit there was a loss? A.—No.

Q.—Then there was nothing wrong if no loss. A.—Yes.

Q.—Grierson entailed no loss to the Province, the way it was defective, is that your view? A.—No, I did not say so.

Q.—Now then, Mr. Baxter, turning to the Hardisty-Provost line, you say the highest number of men on that was 22 or 24? A.—22 men not including the foreman.

Q.—And two teams which would be just used in hauling poles? Would that entail any additional men? A.—Not on the gang in helping to load poles.

Q.—You pay these men? A.—Yes, but they are not considered on the gang.

Q.—How many men were there? A.—In the gang?

Q.—No, on the teams. A.—It depends on the number of teams you need. You may need two men and you may need one.

Q.—Would that mean three teams? A.—If you had three teams it would be three men.

Q.—Did they have anybody in assisting to unload? A.—No, not as a rule. If working on poles the groundmen assist them.

Q.—You don't include men in the gang but including the team men there would be about 25 men? A.—At what date?

Q.—Between July 1st and July 15th? A.—No.

Q.—You gave us your dates from notes, I think you said about September 1st. A.—September 1st, 22 men, 2 teams, 1 foreman.

Q.—That is, how many men in all? A.—22 men in gang and 1 foreman.

Q.—Give us the men who were working and the—you had no teamster? A.—The teams are hired daily, we may require two or three per day or only one.

Q.—How many teamsters were working in connection with these men? A.—At different times there were different numbers.

Q.—On September 1st? A.—Two teams.

Q.—That would be 24 men in all? A.—Not in the gang?

Q.—No, no, don't be afraid of the gang. Now then, do you know how these men happened to come down? A.—They went down to the other gang between Hardisty and Provost.

Q.—You say on May 21st there were first 5 men went down? A.—Yes.

Q.—Were you around there at that time? A.—No.

Q.—Where were you? A.—Lacombe.

Q.—Were you out at this time where this line was being constructed, Hardisty to Provost? A.—Yes, between May 21st and June 1st.

Q.—Were you out there shortly after? A.—Yes, June 25th and 26th.

Q.—Were you not out between June 1st and June 25th? A.—No.

Q.—Where were you? A.—Superintending gangs in that district.

Q.—Do you know how that particular gang happened to be sent down? A.—To build the line.

Q.—Do you know by whom? A.—By the head office, I presume, I don't know.

MR. MACKAY:—If you don't know, just say so.

THE WITNESS:—No, I don't know.

Q.—MR. EWING:—Did you ever find out? A.—No.

Q.—Was anything of interest going on at that time outside of telephone construction? A.—I cannot recall anything.

Q.—There was no circumstance of interest going on in that country where the line was being constructed which you can recall? A.—No.

Q.—There was no circumstance of any interest which you can recall going on at that time? A.—No.

Q.—Now then, at the time those men went down, was the material waiting for them there? A.—The poles were there.

Q.—Any other material there? A.—There may not have been on the day they arrived, I don't think so.

Q.—Is it good business to commence to construct with only poles on the ground? A.—Yes, if you find it necessary, if you wish to handle your construction that way.

Q.—What would be the occasion for handling construction that way—would you handle it that way? A.—Yes, if I wanted to get through it fast, I would put on the pole gang and let somebody else do the wire work.

Q.—You would start with the pole work and put the cross-arms on after they were up? A.—No.

Q.—In this particular case there were only poles there? A.—Yes.

Q.—Did the men make a start to put up the poles? A.—No, they started to dig the holes.

Q.—Would they start to dig the holes for any distance before they put in poles or put the poles in right away after the holes were dug? A.—About a mile or mile and one-half ahead.

Q.—Was that done in this case? A.—I expect it was, I know the holes were dug and the poles put in.

Q.—Now, you had personal communication with Mr. Grierson quite frequently? A.—At what time?

Q.—From 1907 to 1912. A.—Not frequently.

Q.—Well, at intervals? A.—Yes, I would meet Mr. Grierson and talk with him.

Q.—Apart from that you thought he was not doing proper work in connection with the construction work of the department—had you any fault to find? A.—No, Mr. Grierson was a nice old gentleman.

Q.—Did you ever find out that he had formed the habit of telling what was not true? A.—Not if he remembered.

Q.—Was there any fault found among telephone men that he was a man who did not tell the truth? A.—Not if he remembered, he was lacking in memory but not in truth.

Q.—Who was the foreman on the Hardisty-Provost Line? A.—Edwards.

Q.—Do you know him well? A.—No, I met him once before, I think.

Q.—Do you know whether he was a competent foreman? A.—Fair on certain classes of work.

Q.—Well, on the class of work he was doing on the Hardisty-Provost line? A.—He was fair.

Q.—You told us the days you were there—will you swear that there could not have been any loss of time on the Hardisty-Provost line? A.—If I will swear there was no loss of time on the construction of that line?

Q.—Yes? A.—I cannot swear there was absolutely no loss of time—I can swear there was no loss of time on account of no material.

Q.—If Edwards says there was considerable loss of time, would you dispute his word? A.—I would be likely to.

Q.—Although he was foreman of the work? A.—Yes.

Q.—You would say he was untruthful? A.—No.

Q.—That is a thing about which there can be no mistake? A.—Yes.

Q.—If a foreman of the gang says the men were idle through lack of material—there would be no mistake then if Herman Edwards says the gang was idle owing to lack of material you would say he was not telling the truth? A.—No.

MR. MACKAY:—Which he has not done yet?

Q.—MR. EWING:—If Edwards says in the construction of that line the men were idle for a certain length of time, owing to a lack of material, you would not say he was telling an untruth? A.—If he said they were idle, no.

Q.—By the way, what is the estimated cost of putting on a cross-arm on a pole on the ground? A.—About 30 cents.

Q.—What is the estimated cost of putting it on in the air? A.—35 cents, sometimes 40 cents.

Q.—What would occasion the difference? A.—The size of the pole.

Q.—That is a large pole it is harder to put on? A.—The higher the pole, the more it costs.

Q.—How many cross-arms will a man put on per day, do you know? A.—I was going to say $1\frac{1}{2}$ miles to $1\frac{3}{4}$ miles, of course it would depend on conditions, the height of the pole and whether he was putting them on on the ground or on top would have little effect.

Q.—Of course that would be the difference in cost you mention? A.—Yes.

Q.—You think he could put on $1\frac{1}{2}$ to $1\frac{3}{4}$ miles on in the air? A.—About two miles.

Q.—How much on the ground? A.—Very little difference.

Q.—The difference would be very slight? A.—Just two or three cross-arms in a day.

Q.—In a day? A.—Possibly a little more than that, it might run more—it is hard to estimate what the difference would be there.

Q.—Your judgment would be two or three? A.—I might be a little under on that.

Q.—How much would you be under, do you think? A.—I think it possible I might be a little bit over, on the first estimate of two miles.

Q.—You will correct your estimate—how many cross-arms would a man put up in the air? A.—About $1\frac{1}{2}$ miles.

Q.—And gauging it on the same basis of distance how many on the ground? A.—About three, possibly three, between two and three cross-arms difference in a day, of course that would depend on conditions?

Q.—MR. TWEEDIE:—Do you mean you can put on three more on the ground than you can in the air? A.—Yes, about three.

Q.—MR. EWING:—That is your estimate in the number that a man can put—he can put on three cross-arms more on the ground than in the air? A.—Yes, that's what a good many contractors figure.

Q.—What's that? A.—They figure on the cost on so much—they figure about five or ten cents difference.

Q.—You said there was a shortage of insulators on the Hardisty-Provost line? A.—No.

Q.—Now, then, did you ever see Grierson on that line when you were there? A.—Which line?

Q.—Hardisty-Provost line? A.—No.

Q.—Now, Mr. Baxter, if Grierson swears that he found men lying idle there, without material and telephoned up to head office for material would you say that wasn't true? A.—What class of material?

Q.—It does not matter. A.—I will swear he never found them lacking poles.

Q.—That is your only answer? A.—What is your question?

Q.—If Mr. Grierson swears he went down to that line and found the gang idle on account of lack of material and he telephoned to headquarters for material and it was subsequently sent down, will you swear that is not true? A.—I will swear they always had poles.

Q.—You would not deny any other portion of his statement? A.—Well, material covers a lot. Some class of material we can work with.

Q.—I am asking if Mr. Grierson swears the men were idle through lack of material will you say that is not the truth? A.—There was no reason for the men being idle when Mr. Grierson was there, I will swear to that.

Q.—I understand you to say that when Mr. Grierson was there and as he says found the men idle, there was no reason for them being idle? A.—There was no reason for them being idle.

MR. MACKAY:—It is perfectly plain what these two men mean. Grierson said if he had no material for cross-arms he would lay idle, this man said this is nonsense, he would not do it.

Q.—MR. EWING:—You will say the men were not idle for a week at a time? A.—Yes.

Q.—Will you swear they were not idle for a single day? A.—No, I was not there all the time.

Q.—But while you are not there, will you swear they were not idle for a week at a time? A.—Yes.

Q.—You will swear that at any time during the construction of that line the men were not idle for a week at a time? A.—Yes.

Q.—Will you swear they were not idle for a single day at the time? A.—No, it may have been wet.

Q.—Might it not have been wet for a week? A.—It wasn't.

Q.—Was it for a day? A.—It generally rains for a day.

Q.—Then you swear the men were not idle except when it was wet? That is what you swear? A.—I will swear they should not have been.

Q.—I am asking you what actually happened. Will you swear those men on that line were not idle at any time except days caused by wet? A.—I wasn't there all the time, I cannot swear.

Q.—Why will you for a week? A.—I wasn't on the job for a week but I know what the men would have been doing for a week.

Q.—There was more than a week elapsed between your visits? A.—Yes.

Q.—But you will swear there was never a time when the men were idle for a week? A.—Yes, a straight week doing nothing.

Q.—Will you say they were never idle for a day except for the wet? A.—I would say they should not have been.

Q.—I am not asking that, I am asking if you know they were not idle except for the wet?

A.—I wasn't there all the time, I cannot swear to that.

Q.—But there were periods for a week— A.—A week's work would be noticeable in the gang's work and a day's would not.

Q.—Would two days' be noticeable? A.—It would be altogether likely it would be noticeable.

Q.—But your evidence in your first visits there you noticed nothing—you never noticed any lack of work in evidence of idleness? A.—The gang was always there doing work, as they should have been.

Q.—Then from your knowledge and the inspections you made, there was no idleness on that line except for wet? A.—There should not have been.

MR. MACKAY:—Have you not got that, Mr. Ewing?

Q.—MR. EWING (to witness):—Do you mean— A.—Any time I was there I did not see evidence of idleness.

Q.—Then there would have been no idleness for more than a day or you could have detected it? A.—It is likely.

Q.—It is true, is it not?

MR. MACKAY:—The witness has given the evidence, he said, it is likely.

Q.—MR. EWING:—Would you have detected it? A.—It is likely.

Q.—Now then, if anyone shows that the men were idle for one week on that construction, of the Hardisty-Provost line—if anyone says the men were idle, they are telling what is not true? A.—I would think so.

Q.—Don't bother thinking so, you know it is a fact? (To the Committee):—He said there could not be one week's idleness without coming to his notice and as a matter of fact he did not notice one week's idleness. A.—THE WITNESS:—No, I did not notice, there was not one week's idleness in my opinion.

Q.—Did Mr. Edwards ever mention about the men being idle? A.—No.

Q.—Did he ever complain about lack of material? A.—Yes.

Q.—What did he complain of? A.—About lack of hardware the first ten miles.

Q.—Did he say it was delaying the work? A.—No, we were taking care of the men, giving them only sufficient men to carry on the work which was to be done during that time.

Q.—He said what? A.—He did not say anything about the men lying idle or delay of the work with the men he had at that time, he had sufficient poles to go ahead with and we supplied him with sufficient men for the material he had on the job.

Q.—He did not complain? A.—Yes.

Q.—About what? A.—Not having material for the first ten miles.

Q.—Why should that be a subject of complaint if it did not interfere with the work? A.—It is a subject of complaint to any man.

Q.—Why? A.—It makes a little difference in putting on the cross-arms.

Q.—Only one day? A.—That means one mile in ten days.

Q.—One mile in ten days with three cross-arms per day? A.—Yes, about one mile.

Q.—It delayed him 10 days at least, that was one subject of delay? A.—Yes, on the cross-arms but not on the line.

Q.—How much on the line? A.—On the pole line, none.

Q.—How much delay then did Edwards have reason to complain of? A.—About cross-arms not being there.

Q.—Was that the only delay? A.—Yes, cross-arms and hardware, it takes hardware to put on the cross-arms.

Q.—What did he say to you about that? A.—I don't remember any details.

Q.—It wasn't really a complaint? A.—Yes.

Q.—What did he say, what did he complain about? A.—He called me up by telephone and said the hardware had not arrived.

Q.—Did he say it was delaying his work? A.—To some extent, yes.

Q.—Was there any delay of hardware after the cross-arms arrived? A.—What dates?

Q.—There was a delay owing to cross-arms? A.—Yes.

Q.—And the cross-arms ultimately got there? A.—Yes.

Q.—At the time they got there was the hardware there? A.—Very shortly after, the shipment would be made but it might not land there for some days.

Q.—I am not asking what might happen—what did happen? A.—That's what happened.

Q.—The hardware happened there a few days after? A.—Yes.

Q.—It was shipped the same day? A.—I cannot say.

Q.—Was it shipped the same time? A.—Yes, about the same time.

Q.—You swear Edwards never made complaint to you about his men being idle? A.—Yes.

Q.—He did what? A.—I will swear he did not complain about the men being idle.

Q.—Then you will also swear, I am only trying to recall a possible conversation, you told Edwards to put it down to wet weather? A.—I did not tell him to put it down to wet weather.

Q.—MR. TWEEDIE:—Mr. Baxter, you were speaking about those B-corners about which there was some difficulty. What does it cost to erect a pole? A.—What class of pole?

Q.—20-ft. poles. A.—Where, and under what conditions?

Q.—In a hole in the ground on corners? A.—What kind of ground—sand, gravel clay?

Q.—In ordinary gravel soil or clay, what does it cost to erect a pole? A.—\$2.00.

Q.—That is to dig the hole and put in the pole? A.—Yes, that is complete. Do you wish to haul it from town?

Q.—No, just digging the hole and sticking it in the ground? A.—Do you mean the equipped pole?

Q.—Yes, with the cross-arms on? A.—About 90 cents.

Q.—Supposing they had to change that and put in a 25 foot, what would a 25 foot pole cost? A.—Very little more. The difference between a 20 and 25 foot pole would be very little.

Q.—How much do you think? A.—20 cents to 25 cents.

Q.—Well, supposing they put in a 30 foot, what would that cost? A.—It would come up again; it might cost 40 or 50 cents more than the 20 foot pole.

Q.—So that a 20 foot would be 90 cents, 25 foot \$1.10 to \$1.15 and a 30 foot \$1.30 to \$1.40? A.—Yes, about that. That is outside of sinking the pole and setting it. You don't consider incidental expenses how it was brought there.

Mr. Tweedie asks that the Committee summons Mr. Edwards. But as it was found he lived out of town, the Opposition said they would see he was brought, if they could get his address.

Meeting was adjourned at 12.30 p.m.

THE MEETING CALLED TO ORDER AT 10.15 A.M., MONDAY, APRIL 17TH, 1916

The following Members were present: The Hon. Messrs. Mitchell, Boyle, Gariepy, Turgeon, Kemmis, Tweedie, Crawford, Michener, McNaughton, McArthur, Leffingwell, Hoadley, Campbell (Ponoka), Ewing, MacKay, Moffatt. The Hon. Mr. Whiteside presiding.

MR. EWING examining:—

MR. ROBT. B. BAXTER, recalled:

Q.—MR. EWING:—Returning to the Hardisty-Provost line, there was a shortage of cross-arms there, was there not? A.—For a time, yes.

Q.—Then you had those shipped in, those were supplied? A.—Yes.

Q.—On whose requisition? A.—The Head Office.

Q.—Had you anything to do with the getting of the supplies? A.—No, I had nothing to do with the requisition itself, on that particular line.

Q.—Do you know who did it? A.—No.

Q.—The only thing—nor did you know when they were shipped there? A.—I don't know the dates.

Q.—You don't know when the requisition went in or who sent it in? A.—No.

Q.—After the cross-arms got there was there a shortage in insulators? A.—No, not insulators, I don't think.

Q.—Do you know? I want you to be careful—do you know? A.—No, I won't say whether insulators were there or not when the cross-arms arrived.

Q.—Whose business would it be to see the insulators were there? A.—It would be my business to notify the department if sufficient material wasn't there to go ahead with the work.

Q.—Do you know whether you did notify them of the shortage of insulators? A.—I didn't know there was a shortage of insulators.

Q.—Will you say there was no shortage of insulators? A.—At what time?

Q.—At the time the cross-arms were shipped? A.—Were shipped or arrived on the ground?

Q.—Well, yes. A.—I will not swear to that, we would not use insulators until later on.

Q.—Do you know if there was a shortage of insulators, when they were ready to use the insulators? A.—I don't remember any shortage of insulators on that job when we were ready to use them, on the Hardisty-Provost line.

Q.—After the insulators got there was there a shortage of top pins? A.—For what?

Q.—Do you use such a thing in the construction of the line as top pins? A.—Yes, we do.

Q.—Those are the pins you put into the cross-arms to put the insulators on? A.—Yes.

Q.—Was there a shortage of those top pins? A.—At what time?

Q.—At the time the insulators arrived? A.—I don't remember a shortage of top pins at the time the insulators arrived.

Q.—You don't know whether there were or not? A.—No, I would not be in Hardisty then.

Q.—At the time the cross-arms arrived there was the necessary poles and other material for putting on the cross-arms? A.—I think the poles were there as near as I can remember.

Q.—You don't know? A.—No.

Q.—You never had a complaint from Herman Edwards about poles? A.—We had complaints about certain classes of material.

Q.—Material? A.—Yes, certain classes.

Q.—What kind of material? A.—There was a delay in certain classes.

Q.—What did he say to you? A.—I cannot remember the details.

Q.—Just what was the nature of the complaint? A.—He possibly stated that certain portions of the material were not there yet.

Q.—Did you take steps to get it there? A.—I would at the time.

Q.—Are you just thinking of what you naturally would do or what you did do? A.—I cannot say what I did do, I only say what I would do.

Q.—Mr. Grierson said he took steps to get the material down there, you would not deny that? A.—No, I know of that case.

Q.—Do you know what it was he ordered or requisitioned? A.—He requisitioned for a considerable line of hardware.

Q.—Anything else? A.—No, I don't think anything else.

Q.—He did that because the gang were delayed by reason of—the gang were being delayed because it was not there? A.—I don't know.

Q.—Have any recent knowledge of the stores department, or had you in 1912? A.—No definite knowledge.

Q.—Where were the stores kept? A.—In Edmonton.

Q.—Where were your headquarters? A.—Lacombe.

Q.—You kept no supply at Lacombe at all? A.—No hardware or supplies for gangs.

Q.—Do you know what was kept in the stores here? A.—All classes of material were kept in the stores here.

Q.—Do you know the amounts which were here from time to time? A.—No.

Q.—You have no information on that subject? A.—No.

Q.—Consequently when stuff was ordered by Herman or by you from Lacombe you would have no actual knowledge that the stuff would be in the stores? A.—I would be advised if they were unable to make a full shipment.

Q.—Were you advised frequently? A.—No.

Q.—Were you advised in connection with this Hardisty-Provost line they had no material to carry on the contract? A.—I don't remember any advice being given on that particular line at the time, I cannot recall.

Q.—Turning to the Camrose-Kingman line, you told us that line was built between May 5th and July 15th. A.—Yes.

Q.—And that the men were not engaged continuously on that line, doing that, is that correct? A.—Yes.

Q.—They commenced the Camrose-Kingman line on May 10th and it was completed July 15th and in that period they also constructed 25 miles of rural lines? A.—About 25 miles.

Q.—Where were these rural lines constructed? A.—In the same vicinity of the Camrose-Kingman line; branching off that line.

Q.—Where were they branched? A.—They were all rurals west and north of Camrose on the Camrose-Kingman line.

Q.—Who was the foreman? A.—Hotten.

Q.—Now, I understood you to say that you did not see there was any time lost on account of lack of material. Are you in a position to say no time was lost on that line through lack of material being on the ground? A.—I can say the men were never idle through lack of material.

Q.—Yes, that's the same thing, they were never idle? A.—No, not through lack of material.

Q.—You said to Mr. MacKay they were not six weeks idle, they could not be six weeks idle? A.—Yes.

Q.—You say there was no time lost through lack of material? A.—I will say the men were never idle through lack of material, they were always working.

Q.—Do you draw a distinction between that and no time lost through lack of material? A.—There might be a distinction at times.

Q.—You think there would be at times? A.—Yes.

Q.—As a man experienced in construction of telephones would you say there was no time lost in moving from one line to another? A.—On that job?

Q.—Yes? A.—I don't think there was, I don't remember of any time being lost on that job through moving.

Q.—Do you count time lost moving from one place to another? A.—Depending on the conditions under which you move.

Q.—Well, under conditions which prevailed on that line? A.—No, there would be no time necessarily lost on that line.

Q.—Was it? A.—No, I don't remember any.

Q.—If all the material had been there, that would have completed the Camrose-Kingman line before you left it? A.—Not necessarily.

Q.—In other words if the material was there it did not affect your changing from the Camrose-Kingman line to the rurals and back again? A.—No, the Camrose rurals were all in the same vicinity of Camrose-Kingman, it did not necessitate moving.

Q.—It would take some moving? A.—No, you can work out of camp within a radius of so many miles.

Q.—How many? A.—Six or seven.

Q.—As you got further away from camp, the loss of time would be increased? A.—That would depend on the work you were doing, the nature of the camp and the number of men you have in camp.

Q.—Yes, delay the line. Don't be afraid to answer frankly, Mr. Baxter. The farther

away from camp you get the greater the time lost going to and from it? A.—There are conditions again. Certain classes, if you move it for one class it costs too much money, if you move camp to a long distance at one time; on other classes, it is policy to do a certain amount of work away from camp, then you naturally hold the camp in one place and work further distance away from it than you do in other places.

Q.—Moving of camp includes a loss of time and money, of course? A.—It is necessitated.

Q.—Yes, but it involves a loss of time and money? A.—Yes.

Q.—Can you say if they did move camp to the rural lines in the construction of the Camrose-Kingman line? A.—They did move camp to rural lines when it was necessary to move into those sections.

Q.—Your evidence was they would do that anyway, that is what would have to be done regardless if the material was waiting there? A.—Yes, regardless of what material was on the ground.

Q.—You told my learned friend they were short of insulators? A.—Yes.

Q.—That did not affect the method of constructing the work? A.—No, that would not affect the method of constructing the work.

Q.—Then you were not short of material? A.—Yes, insulators.

Q.—But if you did not need them you would not be short of them?

MR. MACKAY:—He did not say that.

Q.—MR. EWING:—But the work went on, they were not delayed because of a shortage of material, were not in need of insulators? A.—We would have used the insulators had we them.

Q.—What was the result of their not being there? A.—They were put on later.

Q.—With the same trouble and same cost as would have resulted if you had had them there originally? A.—Practically the same, there would be a little difference possibly.

Q.—Did it cost less to put them on later when they arrived? A.—No.

Q.—Did it cost more? A.—It might have cost a little more, there is very little difference.

Q.—And there was no delay at all? How often did you say you were there? A.—I was at Camrose 9 days in May, 5 days in June and 7 days in July.

Q.—And when you speak of 9 days in May do you mean 9 successive days or did you make nine visits? A.—The days were 8th, 9th, 10th, 16th, 22nd, 23rd, 24th, 29th and 30th.

Q.—Did you know the foreman? A.—Yes.

Q.—You have knowledge of his method of working? A.—Yes.

Q.—Is he, in your opinion, a competent foreman? A.—Fairly competent in some classes of work.

Q.—Was he competent in the work he was doing? A.—Yes, he was fairly competent in that.

Q.—That is as far as you care to go—is to say he was fairly competent? A.—Yes.

Q.—In what respect does he not rise above being fairly competent? A.—Well, what I mean, there are better foremen, there have been better foremen in the department.

Q.—Now, did Hotten ever complain to you about lack of material? A.—Yes, he has complained to me about lack of insulators.

Q.—On this particular line? A.—Yes.

Q.—How many times did he complain to you? A.—I cannot say.

Q.—About how many? A.—Possibly two or three times.

Q.—You attempted to get insulators, did you? A.—Yes.

Q.—If he said there was a delay owing to lack of insulators would you say that was not true? A.—If he said the men were idle owing to lack of insulators I would say that was not true.

Q.—By the way, who would be in a position to know providing you were both truthful, who would be in a position to know about the delays, you or he? A.—I cannot answer that question; possibly it would be about equal.

Q.—He was with the men all the time? A.—Yes.

Q.—From the day they started until they finished? A.—Yes, practically all the time.

Q.—You were there five days in June and seven days in July, although it was completed July 15th, were you in a position to see that the men were not working every day you were not there? A.—I could judge very closely of the amount of work done when I wasn't there.

Q.—Your judgment was they were not idle at all? A.—Yes, that's my judgment.

Q.—You did not tell Hotten to put down the delay to wet weather? A.—No.

Q.—Returning to the poles Camrose to Meeting Creek, I want you to say definitely what you know, I don't want you to draw inferences. It is stated there were 30 poles cut down and burnt there, will you say that did not happen? A.—I will state the foreman did not have instructions to cut down poles and burn them.

Q.—You consider it quite possible there were a few burned, the balance would be used for anchors? A.—Yes.

Q.—You mean that would be the proper method of construction? A.—That would be the practice of that foreman, that would be what—

Q.—That would be what he ought to do? A.—That would be what he would do in his own judgment, on the work on that line or previous.

Q.—Do you know what he actually did? A.—I did not see the poles burned or cut up.

Q.—You don't know anything about it whether they were burned or not? A.—I expect I would be notified if they had been burned.

Q.—It does not matter what you expect, you were not notified they were burned? A.—No.

Q.—If they were burned it is contrary to the proper practice? A.—Of course the conditions might offset that.

Q.—What conditions? A.—If the poles were not worth hauling to town—

Q.—You said the poles would be used for anchors, is that good practice? A.—Yes.

Q.—If the poles were good for anchors, you would use them? A.—No, no, we would not have use for all of them.

Q.—How many would you have use for? A.—I don't know how many anchors would be put in there.

Q.—Is there any sale for the poles which are taken out to be replaced? A.—In some cases, very seldom. It is found a good practice to sell one or two poles if you happen to have them.

Q.—It is a good practice? A.—No, it is not as a rule.

Q.—Have your department ever sold poles? A.—They have at times.

Q.—To your knowledge, frequently? A.—No, not frequently.

Q.—Now turn to the Castor-Coronation line; you say it was started September 19th and completed October 19th? A.—Yes, about September 19th.

Q.—You say the men got there from Nevis-Castor line, they came from the Nevis-Castor line? A.—Yes, and rurals out of Castor.

Q.—Where were the men on the 10th of September? A.—They would be in Castor or about at Castor.

Q.—Were you there on the 10th of September? A.—No, I don't think so, I have no dates of my visits here.

Q.—Do you know anything about what this particular gang which was working first on rurals then subsequently on Castor-Coronation line were doing on the 10th of September? A.—No.

Q.—If Mr. Grierson said they were lying idle on the 10th of September you would not deny that? A.—Their reports should show that.

Q.—I understand that—that is not the question I asked you. A.—They had work to go ahead with.

Q.—You don't know whether they were going ahead with it or not? A.—No.

Q.—Who was Frank A. Fraser, did he complain of lack of material on that line? A.—Castor-Coronation?

Q.—Yes. A.—Not material.

Q.—What? A.—Lack of six digging spoons.

Q.—Did he tell you the men were unable to go on because they had not these digging spoons? A.—No.

Q.—They could not go on without them? A.—Yes.

Q.—How? A.—They had four or five digging spoons and other work.

Q.—That is the men who were digging holes could go ahead with other work? A.—Yes. The men who were digging post holes with spoons could go ahead with other work.

Q.—What? A.—Anchor holes.

Q.—Were they not dug with spoons? A.—No.

Q.—So then, between the 10th of September and 19th of September you did not know what they were doing? A.—I cannot swear to the dates.

Q.—Now, take Ferintosh—long distance line—how often were you there? A.—I was on that line at least ten times during construction.

Q.—What was the period of construction, can you tell us the dates? A.—Not in September and October.

Q.—Now then, will you say it was impossible for the men to have been idle there during the times you were not there? A.—They always had work to go ahead with.

Q.—Do you know whether they always went ahead or not? A.—They appeared to from my visits.

Q.—That is as far as you can go? A.—Yes.

Q.—Who was foreman on that line? A.—Hotten.

Q.—Did he ever complain to you on that particular line? A.—Yes, he did.

Q.—What about? A.—Lack of material.

Q.—Would he have complained without cause? A.—I found it so.

Q.—You found he was complaining without cause, there was no lack of material? A.—I found plenty of material could be had right off before they were tied up for it.

Q.—You did not know whether or not the gang was actually tied up for it? A.—Yes, I made an especial visit to Camrose and arranged for sufficient material to go ahead with.

Q.—At that time? A.—Yes.

Q.—Was Hotten complaining they would be or had been tied up? A.—They would be

Q.—Unless it could be forwarded? A.—Yes.

Q.—I thought that complaint was groundless? A.—I thought it was.

Q.—But nevertheless you sent on material? A.—I found it there.

Q.—He was wrong, they needed no material at all? A.—No, he wasn't wrong in saying they needed material.

Q.—Well, I thought I had exhausted my possibilities.

MR. MACKAY:—You have another think coming to you.

Q.—MR. EWING:—You say Hotten complained there was a lack of material? A.—Yes.

Q.—And unless the material was supplied there would be a delay? A.—Yes.

Q.—You found that complaint groundless because the material was there? A.—I found the material could be had.

Q.—Could be had or was there? A.—Was there.

Q.—You don't order any material as a result of his complaint? A.—No.

Q.—His complaint was quite without foundation? A.—He had reason for his complaint, he would have been tied up if arrangements had not been made, he appeared not to know how to make the arrangements himself.

Q.—What arrangements should he have made? A.—He should have got his working lines through and the new line into Camrose and realized sufficient material for them to go ahead at least three weeks.

Q.—Just explain that to us, it is not plain to those of the Committee who are not construction men. A.—We were building a new line, the new road along Camrose to meet the Meeting Creek—Camrose line, at the time Hotten thought he was up against it for material, he was practically or could not get his old line in on the new lead, and realize a lot of material which was on the old line.

Q.—What was up there? A.—Everything necessary to construct the line.

Q.—Then apart from the material which he might get from the old line there was a shortage of material? A.—The old line material was figured in on the job.

Q.—Was he advised of that? A.—He should have known that.

Q.—Do you know whether he was advised of that particular case? A.—I don't know.

Q.—There was sufficient material for the entire job by taking it from the old line? A.—Yes, sufficient material for him to go ahead with for at least two or three weeks.

Q.—It was at that time he complained to you and you told him to take the old line material? A.—I showed him where to make his cuts and take the material.

Q.—Had Hotten and his gang been waiting sometime for material by reason of not knowing they could take the old line material? A.—No, they had not been waiting.

Q.—Your evidence is there was no waiting on that line at all? A.—There was no waiting of the gang, it was never idle for lack of material.

Q.—Will you go further and say they were not idle? A.—No.

Q.—You know that? A.—I said no, I would not.

Q.—Do you know they were idle because of lack of material? A.—No.

Q.—You cannot say that? A.—I would have known if they had been idle for any length of time.

Q.—At the time the Strathcona Millet line was built who was the foreman? A.—Roy Henderson.

Q.—You told my learned friend you did not think that work could have been done in 1½ months. A.—No, I don't think it could have been done in two months.

Q.—Will you say it could not have been done in 1½ months? A.—I don't think it could have been.

Q.—You are only giving your opinion? A.—Yes.

Q.—If Henderson says he built it in 1½ months would you say he was wrong? A.—Yes.

Q.—How often were you there? A.—I would be in there at least seven times, I should judge.

Q.—Between what periods? A.—I don't know the dates.

Q.—You had only to do with it from Leduc to Millet? A.—Yes, that's all.

Q.—Was the wire on the ground when you were there the first time? A.—Yes.

Q.—Now, can you say there was no delay on that job, Mr. Baxter? A.—Yes.

Q.—You will swear there was no delay and could not have been any delay owing to lack of material? A.—No, there could not have been any delays because of lack of material.

Q.—Will you swear there was no delay in fact on the construction of that line? A.—No.

Q.—You see what I mean, you say in your judgment there could not have been any delay because of lack of material. If the foreman had—I am asking if there was cause for the foreman thinking there was any delay?

MR. MACKAY:—What can he tell what the foreman thought?

A.—THE WITNESS:—No, I would not say there was any actual delay.

Q.—Were the insulators on the ground? A.—Yes, I think they were, I am not positive about that.

Q.—Did Henderson make any complaint to you about that? A.—No.

Q.—Were any complaints made to you about material on that line at all? A.—No.

Q.—It was just a question of stringing wires on that line, was it not, and putting in some corners and you moved a mile of poles? A.—It was much more work than building a new line.

Q.—That is the work you did upon that line cost more money than it would have to construct a new line from Strathcona to Millet? A.—Not of the same class, no.

Q.—You told us it cost more than it would to build a new line. A.—I said it was more work than it would be to build a new pole line.

Q.—Would that not cost more? A.—No, not that class of line, we have a heavy class of line between Calgary and Edmonton.

Q.—Did you change that, when you re-constructed that, did you change it to a heavy class of line? A.—In some places.

Q.—In what places? A.—Put in new poles and build new lines for two miles for the new we put in.

Q.—Did you change the class of line between Leduc and Millet? A.—Yes, in that place.

Q.—Any other lines between Leduc and Millet? A.—It was a better line.

Q.—You classify the line. Did you change the class of that line in the construction of it? A.—In the class of line? What do you mean?

Q.—I mean what you mean. A.—There are various ways of constructing a line, what class would you consider you want to know?

Q.—All right, we'll come to that. You say it cost more, you say you did more work from Leduc to Millet than you would have done in building the same line? A.—No.

Q.—In building a first-class line? A.—No, not that particular type or that number of wires—

Q.—Let us understand where we are at. Your statement is that you put more work on that line from Leduc to Millet than would have been necessary to have built a line as it originally was. A.—No, not of that class.

Q.—Then what kind of line? A.—Ordinary telephone line.

Q.—Of what class? A.—Almost any class with one pair of wires or two on it.

Q.—What do you mean? A moment ago you raised the class of the line. A.—The class, it was a better class of line when we got through than when we started.

Q.—I would hope so considering the work you put in it. Now, why did you not build a new line from Leduc to Millet? A.—It would not pay.

Q.—Although you say you had enough work on the old one to build the new one? A.—Not that kind of one.

Q.—What kind? A.—The amount of construction we had on the line between Leduc and Millet. The amount of wire we had on it and the position of that line as it stood.

Q.—What about it as it stood? A.—It would not have paid to put in a new line.

Q.—Although it took more work? A.—Not to build that kind of line or which would have been necessary between Millet and Leduc.

Q.—But when you got through with your work you had that kind of a line, the kind you had when you got through. Now, what changes did you make in the line? A.—We moved the line over to a new road allowance where necessary.

Q.—Did you change the poles? A.—Yes.

Q.—How many poles did you change, what proportion? A.—I don't remember exact proportion; in one place we changed a straight two miles.

Q.—MR. TWEEDIE:—Did you take out the old poles and put in new poles? A.—Yes, on the old trail and put in new poles on the new trail.

Q.—Did you use the old poles any place else? A.—I believe we did use some of them. I did not draw them away.

Q.—What length did you take out? A.—25-foot.

Q.—What length did you put into the new line? A.—30-foot.

Q.—MR. EWING:—You were building a better class of line? A.—In this particular two miles.

Q.—The rest you left as it was? A.—No.

Q.—What change did you make in the other portion? A.—We pulled slack in the wires.

Q.—That would not alter the class of the line? A.—It would make a better class of line.

Q.—Taking up slack makes a better class, you classify the line by whether it was slack or not? A.—Yes, speaking of it that way.

Q.—That's the way you are speaking of it? Now, did you use any new cross-arms on that line? A.—Yes.

Q.—What proportion did you use? A.—We put up new cross-arms on the new poles at corners and we sometimes double-armed.

Q.—And the total work which you did on that line would construct a new line? A.—Not in that place.

Q.—What place? A.—Between Millet and Leduc.

Q.—In what place would it construct a new line? A.—If we had a new country to work in putting up new cross-arms and poles.

Q.—What is the difference between a new country and the country between Millet and Leduc? A.—Because we had about eight or ten pairs of wires to contend with on the old road.

Q.—You had this to move? A.—We would have if we built a new line.

Q.—Then you would have had that extra labor? A.—Yes, in that place we would not call it a new line, it would have been an old or re-constructed line.

Q.—You mean the labor which you spent on that line would have built some kind of line in a new place? A.—No, not altogether, it might have been a lighter class of line.

Q.—It would have built a lighter class of line? A.—Yes.

Q.—Now, I think you said there was no lack of insulators. You swear these insulators were on the ground sufficient for construction all the time? A.—To the best of my knowledge.

Q.—Do you know as a matter of fact whether they were or not? A.—I know there were insulators there, yes.

Q.—Were there sufficient insulators there all the time to absolutely prevent delay in the work? A.—Yes.

Q.—Do you know anything about the construction of the line between Edmonton and Leduc? A.—No.

Q.—Don't know anything about that? A.—No.

Q.—Would you say there was no delay there? A.—I don't know.

Q.—By the way, have you had anything to do with the drawing up of specifications of the lines within your locality? A.—No.

Q.—You know nothing about that, do you? A.—No.

Q.—What is the procedure when a line is proposed to be constructed in a district over which you have jurisdiction? A.—The head office procedure?

Q.—Yes, if you know? A.—I don't know.

Q.—What is the first advice you get as to the construction of a new line under the new system since 1912? A.—We get a plan of the line that is to be built, that's the first procedure.

Q.—Would that be before or after the contract is let? A.—I don't know, I never handled any of the contracts.

Q.—That has been in force since 1912? A.—Yes.

Q.—Well, you have been plant chief? A.—It has been handled by the Engineering Department.

Q.—You have nothing to do with that? A.—No.

Q.—Under the new system you have nothing to do with construction? A.—The construction we do ourselves.

Q.—What do you do yourselves? A.—The small line construction.

Q.—You don't have anything to do with the construction of main lines? A.—No.

Q.—Any preparation of the specifications or plans? A.—No.

Q.—You get no information on that subject at all? A.—No.

Q.—You are not consulted at all? A.—No.

Q.—In fact you never have been consulted on that subject? A.—What?

Q.—Specifications on a new line. For contract work? A.—No.

Q.—Would you not have information, knowing the country yourself, would you not have any information you could give? A.—No.

Q.—MR. TWEEDIE:—Mr. Baxter, you were estimating the Ferintosh line? A.—Yes.

Q.—Will you say the linemen there were not delayed because they could not go ahead with the work? A.—We had a pole gang.

Q.—Will you say they were not delayed? A.—Who, the linemen?

Q.—You know what linemen. A.—We did not use linemen on construction.

Q.—What were they for? A.—Equipping poles.

Q.—Mechanics, yes. Will you say there was no delay? A.—What line?

Q.—The one leading out of Ferintosh? A.—When it was originally building?

Q.—Yes. A.—We had a pole gang going through there first erecting poles.

Q.—Will you say the linemen were not delayed on that line? A.—Yes, they were not idle on account of any material to work with.

Q.—Were they idle for any reason? A.—They may have been for wet weather or something of that kind.

Q.—Did they draw their pay for any time they did not work? A.—Not that I know of.

Q.—Were they ever working at pole work? A.—Yes.

Q.—How long did they work at pole work? A.—Do you mean putting in poles only?

Q.—Digging holes and putting in poles, how long did they work? A.—The gang went through.

Q.—How long did the linemen work? A.—They didn't work.

Q.—Did the linemen ever dig any pole holes? A.—No.

Q.—Did they ever erect any poles? A.—They might have helped.

Q.—Do you know whether they did? A.—I should know.

Q.—Well, did they? A.—Well, that question covers a lot.

Q.—Did the linemen ever erect any of the poles? A.—Did they ever help or did it themselves?

Q.—Did they help? A.—They helped erect poles.

Q.—How many days did they work at that? A.—I cannot give you details of that.

Q.—Did you know they did help erect poles? A.—We use the linemen in certain classes of work to erect poles.

Q.—You know they helped erect poles on the Ferintosh line? A.—All poles?

Q.—You know they helped erect some poles? A.—I know it is possible.

Q.—Do you know as a matter of fact if they did it? A.—We use the linemen sometimes.

Q.—Do you know whether they did? A.—It is possible.

Q.—Do you know whether they did? A.—No.

Q.—Will you say they did? A.—No.

Q.—You use linemen to help erect poles? A.—We do sometimes.

Q.—Whose work is that? A.—The groundmen's.

Q.—What do you pay the groundmen? A.—\$2.50 per day.

Q.—What do you pay linemen? A.—Whatever they are worth, \$3.00, \$3.50, \$3.75.

Q.—Is it good business to pay linemen for work you pay \$2.50 for? A.—Not if we could use the men at time who do the work for \$2.50.

Q.—Why did you use the linemen you had at Ferintosh? A.—We used them on all lines at time.

Q.—How many miles did they help erect poles out of Ferintosh? A.—They did on all lines.

Q.—And a poleman is \$2.50, lineman \$3.00 and \$3.50? That's good business? A.—It is necessary on new lines.

Q.—Why? A.—Because you require the linemen to sight your poles after you get it in and require linemen to side-set them.

Q.—What lines did they do? Do your pay sheets show how many days' work done by linemen erecting poles? A.—No.

Q.—Why did you not keep account of that? A.—We do.

Q.—Why don't the pay sheets show it? A.—Because we keep it on the daily report.

Q.—So your statement is you employ linemen whom you pay \$3.50, to set poles for which you pay \$2.50? A.—At times.

Q.—You don't know how many days they put in? A.—No.

Q.—You don't know how many miles? A.—No.

Q.—You have had experience in telephone poles? A.—Yes.

Q.—What class do you use in the construction in this Province? A.—All classes.

Q.—Name the classes? A.—On what class of construction?

Q.—For telephone construction anywhere and in any part of the Province, your experience as an expert. A.—We have four classes, A, B, C and D.

Q.—What is A? A.—The first class.

Q.—What is the first class? A.—30-ft. pole.

Q.—What kind of wood? A.—Cedar.

Q.—All cedar? A.—Yes.

Q.—What do you use in the second class? A.—We use 25-ft. poles sometimes 30-ft.

Q.—What kind of wood? A.—Sometimes tamarack, sometimes cedar.

Q.—Third class? A.—25-ft. lead and poles.

Q.—What kind of wood? A.—Sometimes cedar, sometimes tamarack.

Q.—Fourth class? A.—20-ft. poles, cedar and tamarack.

Q.—Did you ever use any other kind of wood? A.—I never did.

Q.—Did you ever hear of any other kind of wood being used in construction? A.—I have heard of various kinds being used in other classes.

Q.—What kind? A.—I don't know, some use poplar.

Q.—What else? A.—I don't know any other class.

Q.—What kind of pole does poplar make? A.—Not a good pole.

Q.—Did you ever hear of jack-pine being used? (No answer).

Q.—Did you ever have experience with jack-pine? A.—No.

Q.—What kind would it make? A.—I don't know.

Q.—Did you ever see jack-pine log in your life? A.—Not to know it was jack-pine.

Q.—You would know a jack-pine pole, you are an expert? A.—I never used jack-pine.

Q.—In your opinion it is not advisable to use? A.—I cannot give my opinion on jack-pine poles.

Q.—It would not be advisable in your opinion for the Government to use jack-pine? A.—I cannot give my opinion on jack-pine.

Q.—You never saw them, never heard tell of that in this Province? A.—Not to know them as jack-pine.

Q.—Well, you can tell cedar poles, cedar and poplar poles? A.—Yes.

Q.—And there would— Do you know what a jack-pine pole is worth? A.—No.

Q.—No idea?

MR. MACKAY:—They are not in his line.

Q.—MR. TWEEDIE:—Did you ever figure up the actual day's labor on the line from Hardisty to Provost? A.—I did when the line came through.

Q.—How many days? A.—I don't remember.

Q.—How many lines of telephone can a gang construct when all the material is on hand? A.—What size of gang?

Q.—The ordinary gang that you had, 22 to 25 and two teams. A.—We had a gang from 5 to 22.

Q.—Well, in good business construction, how many lines could be constructed in a day? A.—How many miles?

Q.—Yes? A.—It would depend altogether on conditions, the number of men used in the gang and general conditions.

Q.—But Mr. Baxter, you are an expert and wanted to construct the line from Hardisty to Provost at a minimum, how many miles would be constructed?

MR. MACKAY:—On that line?

MR. TWEEDIE:—Yes.

A.—THE WITNESS:—We might construct half a mile per day with the size of gang as that one.

Q.—By putting on a gang which should be put on for reasonable, economical construction—how many miles should be constructed per day? A.—You can put on a gang which would construct two miles, if you wish to go to that expense.

Q.—Don't lose sight of this fact, it is your duty to put on gangs which will produce the most economical construction. Now, with that gang, how many miles should be constructed? A.—We always figure on conditions. If we want a line and we are in a hurry for it, if it cost more money to rush the line than to go more slowly and other conditions may have a bearing on that.

Q.—You superintended that line? A.—I was district plant chief and foreman.

Q.—What kind of bottom did you find for post holes? A.—In what way?

Q.—Was it hard stuff, gravel, sand— A.—We met sand for several miles, then gravel, sloughs—

Q.—How many miles of gravel? A.—We ran into several classes of soil.

Q.—How many miles of sand? A.—I know the first portion a short way out of Hardisty was sand, sometimes sand is harder than anything else, it keeps running back into the holes and if too soft it is harder than good hard digging.

Q.—How much difficulty did you experience? A.—Some difficulty.

Q.—How many miles, you made a specialty of this line? A.—It is five years ago.

Q.—But you had your reports in? Where are your weekly reports? A.—They are only kept two years.

Q.—Do you mean they have been received and destroyed? A.—I don't know as to that but I know it is the custom.

Q.—What did they contain? A.—General information.

Q.—What of? A.—Estimates.

Q.—Estimates of what? A.—Construction.

Q.—How much you have constructed or you were to construct? A.—What we were doing from week to week.

Q.—How many poles erected and wires strung? A.—Yes.

Q.—Where are these weekly reports? Why did you not bring them with you?

Mr. Pearce, Superintendent of Telephones, states they are not available as after a certain length of time they are destroyed.

Q.—MR. TWEEDIE:—You have produced the payrolls here; will you swear that these men, that every man who is down there worked that day? A.—THE WITNESS:—I will swear he had work to do and should have worked.

Q.—Will you swear he worked for what he drew, his pay, each and every man? A.—No.

Q.—So that all you know as to the delays is what you can form your opinion on, it is not based on actual knowledge? A.—I made about eight trips.

Q.—You did not see the men working, did you? A.—Yes.

Q.—Not all the time? A.—Not every day.

Q.—You did not as a matter of fact?

MR. MACKAY:—Surely he has covered that, he had told Mr. Ewing two or three times, judging from his visits they were not delayed.

MR. TWEEDIE:—I want him to be very clear.

MR. MACKAY:—He said that two or three times.

Q.—MR. TWEEDIE:—What was the actual cost of that line, Hardisty to Provost? A.—THE WITNESS:—I don't remember.

Q.—Did you figure it out? A.—I did.

Q.—You reported it? A.—We figured out from the daily reports.

Q.—Who has the figures of cost of the construction which was under your supervision? A.—I don't know who keeps that.

Q.—Do you know what it cost? A.—I don't remember.

Q.—Did you keep the actual cost of construction of each line in the Province? A.—Did we, or do we?

Q.—Did you and do you now? A.—I am not familiar with what they keep now, I kept certain records in Lacombe.

Q.—Well, on the line which you superintended as plant chief, you kept the total cost of each line? A.—Yes, and forwarded them in.

Q.—They would keep that? A.—Yes.

Q.—Did you forward the total cost from Hardisty to Provost prepared from the weekly reports? A.—Well, the weekly reports would give the total statement from that.

Q.—You prepared your statement from that?

Q.—MR. EWING:—In the Ferintosh long distance line, Mr. Grierson said he found the men there and sent in a requisition for material for about ten miles and for tools which he required, which I think he had only five digging sets. Do you know whether or not Grierson sent in a requisition for that line? A.—I never heard of it.

Q.—Do you know anything about it? A.—About his requisition?

Q.—Yes. A.—No.

Q.—Will you say it is not true he sent it in? A.—No.

Q.—No. He further said following his requisition the material was sent to you, do you know anything about that? A.—No, I should think it would be.

Q.—We have had too much of that kind of an answer—what you think it would be. I am asking if any material was sent following his requisition? A.—No.

Q.—That is, no material was sent?

THE CHAIRMAN:—Now, Mr. Ewing, he said he did not know anything about it.

Q.—MR. EWING:—Who was foreman on that line? A.—THE WITNESS:—Sam Mitchell.

Q.—If Sam Mitchell said they were waiting several weeks for material would you say he was wrong? A.—Yes.

Q.—You say, as a matter of fact, they did not wait over a week idle? A.—They were not idle for a week.

Q.—MR. CRAWFORD:—What changes have you made on the Banff line since it was originally built? A.—I have not made any changes at all recently; the changes would be outlined by the man who did the work.

Q.—Have there been any changes as a matter of fact? A.—There have been more wires strung.

Q.—Have you changed poles? A.—Possibly the poles were changed in places.

Q.—Changed cross-arms? A.—Cross-arms were changed.

Q.—What year? A.—I don't know, they were changed to put on the new wires to Banff.

Q.—Would you have a record of what year? A.—I would have no record.

Q.—You have no idea what year? A.—No.

Q.—Would it be prior to 1912? A.—I would not say, I wasn't in the south country then.

MR. MACKAY:—For example in 1912 when everybody knows there was a serious railway congestion, there was a shortage of some kind of material and a particular shortage of hardware, but would the men necessarily need be idle at all? A.—No, if we had sufficient poles to go ahead with.

Q.—It would be up to the foreman to adapt himself to that condition of the work? A.—Yes, sure.

Q.—You produced the pay sheets here, I believe they will tell it? A.—Yes.

Q.—I suppose you advanced some little criticisms in 1907, I suppose from 1907 to 1912 and '13 there were changes in construction of telephone systems, they have advanced? A.—Yes, there was a decided change from 1911 to 1912.

Q.—Would it be general? A.—Yes, in general telephone construction there was a decided change.

Q.—Are you speaking of your knowledge 7 or 8 years ago? Present methods of construction would not be the same in 1907 on any line? A.—No.

Q.—General accepted up-to-date methods would prevail? A.—Yes, on certain lines.

Q.—MR. TWEEDIE:—You say in 1912 there might have been a shortage of hardware?

THE CHAIRMAN:—He said supposing.

Q.—MR. TWEEDIE:—What do you mean by adjusting himself to conditions? A.—Well, if he happened to be short of hardware on any line, the linemen would be laid off with the exception of those which would be required to—

Q.—Would the linemen go on with the pole work? A.—Yes, it would be necessary to go ahead with the poles.

Q.—And would go ahead without the hardware to finish the line? A.—It would be good policy to do that.

Q.—That's the policy you would follow yourself and others? A.—Yes.

Q.—You know the line from Calgary to Banff? A.—Yes.

Q.—Hardisty to Provost? A.—Yes.

Q.—Which would be the more expensive line to construct with reference to pole work? A.—Actual cost of poles?

Q.—No, actual work of construction? A.—Hardisty-Provost line on account of the distance, of getting men there and shipping men and transporting stuff between Edmonton and Hardisty.

Q.—Take the digging of holes and erecting poles between Hardisty and Provost and Banff and Calgary, which would be more difficult? A.—Banff line, for the last 25 miles.

Q.—That would be the most difficult line in the Province? A.—No.

Q.—Which would you consider the most difficult line in the Province? A.—We have built lines in sections of the province in which we have run into gumbo—

Q.—What sections? A.—Around Munson.

Q.—Did you construct any particular lines there? A.—Yes, we constructed a line there.

Q.—What is the name of the line? A.—Stettler to this side of Meeting Creek, Camrose to Munson.

Q.—That is more expensive? A.—Certain portions of it.

MR. MACKAY:—You are comparing one line built in 1907 with a line built in 1912, when labor conditions— (To witness):—Were labor conditions cheaper in 1907? A.—Very much cheaper.

Q.—Then in comparing the cost of lines you must take that into consideration? A.—Yes.

Q.—You will not say the Hardisty line was more costly than the Banff line? A.—On the Hardisty line the hardware—

Q.—Can you say by your sinking a pole $2\frac{1}{2}$ feet instead of sinking it 3 feet, does the last six inches cost more than the first? A.—Yes.

Q.—Then there are a great many conditions to take into consideration? A.—Yes.

Q.—MR. TWEEDIE:—Now, how deep did you sink them on the Banff line? A.—I don't know.

Q.—On the Meeting Creek? A.— $5\frac{1}{2}$ feet.

Q.—On the Banff? A.—I think it was five feet.

Q.—Do you know there was a lot of rock into Banff? A.—I did not run into very much rock.

Q.—Just a few miles of Rocky Mountains?

MR. MACKAY:—Were you engaged in the Banff line? A.—Yes, I worked on the line a year afterward.

Q.—But on construction? A.—No.

MR. W. B. PEARCE, duly sworn on the Bible, testified as follows:—

MR. TWEEDIE, examining:

Q.—What is your position? A.—General Superintendent.

Q.—How long? A.—Since May, 1914.

Q.—Have you any record of poles at Sundre? A.—We have in our files.

Q.—Will you turn up the file covering that? A.—I have not that file here, it is in my office.

Q.—No record in your cards? Have you no record at all? A.—Yes.

Q.—Do you know what kind of poles they were at Sundre? A.—Yes.

Q.—You are familiar with the poles at Sundre? A.—I have never seen them.

Q.—You were General Superintendent, how many poles were delivered at Sundre? A.—I cannot say off-hand, our records will show, I did not bring those records.

Q.—What kind of poles were they? A.—Our records will show.

Q.—Have you the pole distribution record here? A.—No.

Q.—You had that the other day, I told you the other day we wanted it. A.—I did not expect you would reach me to-day.

Q.—You have not the pole distribution records? A.—Not here.

Q.—Have you complete records of all poles in the Province? A.—Yes.

Q.—Have you a complete record of lost poles in the Province? A.—No, not in a separate file, we would have to go through various files to get that.

Q.—You cannot tell me that off-hand? A.—No.

Q.—What do you think of jack-pine poles? A.—I have never seen one in use.

Q.—Have you known of any being purchased by the Government? A.—I do.

Q.—Where? A.—West of Innisfail and Olds.

Q.—You know west of Olds there are a large number of jack-pine poles? A.—Yes.

Q.—Did you ever hear of jack-pine poles being used in telephone construction before? A.—I don't know as I was in a country where they grew.

Q.—Did you hear of their being used in any country? A.—No.

Q.—Alberta is the first to buy any to your knowledge? A.—Yes.

Q.—How many people did they purchase jack-pine poles from in 1913? A.—I cannot say off-hand.

Q.—You can get me the records showing that? A.—Yes.

Q.—What price did you pay? A.—Our records will show that, I would rather not answer until I get the records.

Q.—Now then, jack-pine is not as good as cedar? A.—No.

Q.—Or tamarack, is it? A.—I cannot say from personal experience.

Q.—Do you know jack-pine poles west of Olds? A.—Yes.

Q.—How long have they been there? A.—Our records will show but they have been purchased in 1913-14.

Q.—They have been there since 1913? A.—Or 1914.

Q.—Don't you know since 1913? A.—Some of them.

Q.—Have you used any jack-pine poles? A.—We have.

Q.—How many? A.—I cannot say off-hand.

Q.—Where did you use them? A.—Out in that district west of the— 24 or 35 miles west of the C.N.E. Railway.

Q.—What lines were built with jack-pine poles? A.—Rural lines only.

Q.—Can you give me the lines? A.—The only lines I know of, there are some at Markerville also some at Harmattan, rurals.

Q.—Did they run into Markerville or Harmattan? A.—No, only on the western extremities.

Q.—What trunk line? A.—Edmonton to Calgary.

Q.—How many miles west of Innisfail? A.—Markerville is probably 15 or 18 miles.

Q.—To-morrow you can tell us how many jack-pine you purchased, who purchased from and what price you paid, how many you have used, how many you have on hand and what price you paid and where they are piled. You can tell that to-morrow? A.—Yes.

Q.—You know Teets, do you? A.—I do.

Q.—Have you had any correspondence with Teets about poles on Peace River? A.—Yes.

Q.—About poles being piled there? A.—I have, if not with him, with Mr. Ferguson.

Q.—You have employed men to take care of poles in that district? A.—We have.

Q.—How long have they been out there? A.—Since 1913.

Q.—They are still there? A.—Part of them only.

Q.—And you employed men to take care of them? A.—During the months in the year when there was danger from fires.

Q.—You have cards in your records? A.—Some.

Q.—How many out there now? A.—(Referring to cards):—At Mile 7 we have 1915.

Q.—How many had you there originally? A.—We have not shipped out any.

Q.—What quality are they? A.—25-foot and good.

Q.—What kind, tamarack? A.—Yes.

Q.—What year were they piled? A.—1913.

Q.—1915 at Mile 7 in 1913, and you have not used any of these? A.—No.

Q.—In connection with the care of those poles, what policy do you pursue? A.—We have a man burn all rubbish around the poles and in some cases we had the ground ploughed up but the timber and underbrush is so close there we thought it advisable to visit those poles daily during the season there was danger from fire.

Q.—So in 1913 you purchased and had there 1915 poles and you have fire-guarding? A.—Yes.

Q.—And burnt away the brush? A.—Yes.

Q.—And a man looking after them? A.—Not now.

Q.—But you had? A.—Yes.

Q.—How long did he work at that? A.—About 2½ months each summer.

Q.—When did you have them checked up last? A.—My record shows an inventory January 29th, 1916. I cannot say the man was out there on that date.

Q.—When was the last inspection you had made by the inspector to count these poles? A.—I cannot answer that.

Q.—Have any poles been lost? A.—At Mile 7?

Q.—Yes. A.—Not at Mile 7.

Q.—Are you in a position to say that 1915 poles are there now? A.—They were there at the last count.

Q.—When was the last count made? A.—January 29th, 1916.

Q.—Was the man out there January 29th to count these poles? A.—I presume he was.

Q.—Do you know? A.—I don't know.

Q.—Did you get a report from the man? A.—I might tell you to-morrow.

Q.—Don't you know, Mr. Pearce there was a shortage and you did correct your counts? A.—No.

Q.—How much per month did you pay your man to check the stock up there? A.—\$2.50 per day in 1913.

Q.—In 1914 what did you pay? A.—\$1.00 per day.

Q.—For how long? A.—Approximately two months, 2½ months.

Q.—In 1915 what did you pay? A.—Same as 1914 for the same length of time.

Q.—What did you pay for ploughing around those poles? A.—I cannot say off-hand.

Q.—But you did pay the man to plough? A.—Pay the man? Yes.

Q.—And hired a team for ploughing? A.—Yes.

Q.—How much did you pay for doing it? A.—I cannot say.

Q.—How much did you pay for clearing away the brush? A.—I will give you that to-morrow, all that information.

Q.—What other pile have you besides Mile 7, or what do you understand by Mile 7? A.—That is 7 miles beyond Onoway.

Q.—What is your next pile? A.—Mile 21.

- Q.—How many poles there? A.—January 29th, 1916—70.
 Q.—How many had you originally there? A.—2750 poles.
 Q.—What year? A.—1913.
 Q.—What became of them? A.—They have been shipped out.
 Q.—Where to? A.—Various points.
 Q.—Where? A.—I cannot say, points north of Red Deer.
 Q.—What dates were they shipped out? A.—They were shipped out, in all the poles shipped out were shipped out in 1914.
 Q.—Had you a man chopping away brush around there? A.—I cannot say.
 Q.—Do you know? A.—I don't know.
 Q.—Did you have a fire-guard put around them? A.—I don't know.
 Q.—Had you a man taking care of them? A.—Yes.
 Q.—For how long in the year 1914? A.—The same man as looked after the other poles.
 Q.—He was looking after both piles? A.—Yes.
 Q.—Did you ever have other assistance there to look after those poles? A.—No.
 Q.—Where is the next pile? A.—Mile 27.
 Q.—How many? A.—112.
 Q.—How many there originally? A.—112.
 Q.—What year were they there? A.—1913.
 Q.—Who is looking after those? A.—No one.
 Q.—No expense incurred in connection with them? A.—Not to my knowledge.
 Q.—Where is the next pile? A.—That's all.
 Q.—From whom did you purchase these poles? A.—McKeene.
 Q.—What price did you pay per pole? A.—Our pole files will show that, I cannot say off-hand.
 Q.—McKeene delivered all those poles? A.—To my knowledge, yes.
 Q.—Is he a telephone man? A.—No.
 Q.—Is he in business of procuring telephone poles? A.—Same as other settlers.
 Q.—Did you have a contract with McKeene? A.—Yes.
 Q.—You can produce the contract to show the prices? A.—Yes.
 Q.—Did you have an inspector look over these poles? A.—At the time of purchase?
 Q.—Yes? A.—Yes.
 Q.—How much did you pay the inspector? A.—\$100.00 per month, he is in our employ.
 Q.—Did you have any inspector paying so much per pole on that branch? A.—Not to my knowledge.
 Q.—Do you know whether or not you had? A.—I would say no, but our files will show.
 Q.—Now, how many more poles up in that country? A.—That's all on that branch.
 Q.—But any other branch?

Chairman suggests meeting adjourns.

MR. CRAWFORD:—Mr. Chairman, on March 28th I asked for an order of the House for the return showing weekly reports on the following lines: Strathcona to Millet, Nevis to Castor, Rural out of Tees, Camrose to Kingman, Kingman to Tofield, Camrose and Meeting Creek, Camrose and Bawlf, Exchange at Camrose, Hardisty and Camrose. Weekly reports of foremen on the Castor and Coronation line between May 20th and July 20th, 1912, and weekly reports of foremen on the Ryley and Vegreville line between August 23rd and September 14th, 1912. All the above for 1912. (See Exhibit 1, April 17th).

MR. PEARCE:—I think all those have been destroyed. We can give Plant Chief's report and District Plant Chief's report.

Meeting adjourned at 12.30 p.m. until Tuesday, April 18th, 1916, at 10 a.m.

THE MEETING CALLED TO ORDER AT 10.20 A.M., TUESDAY, APRIL 18TH, 1916

The following Members were present: The Hon. Messrs. Mitchell, C. Stewart, Turgeon, Tweedie, Kemmis, Crawford, McNaughton, McArthur, Tobin, Leffingwell, Hoadley, Campbell (Ponoka), MacKay, Moffatt. The Hon. Mr. Whiteside presiding.

MR. W. R. PEARCE, recalled: MR. TWEEDIE examining:—

Q.—MR. TWEEDIE:—I asked you for some information, did you get it? A.—Yes, I think so, I don't know whether I remembered all of it.

Q.—What is the name of the man who looked after the poles at Mile 7 and beyond on the Onoway Branch? A.—Jas. Gooley looked after the poles at Mile 7 and 14 and Seed-house at Mileage 21 and 27.

Q.—Gooley worked how long? A.—9 days in May, 1913, 29 in June, 31 in July, 31 in August, 30 in September and 22 in October.

Q.—How much per day? A.—\$2.00.

Q.—And did he board himself? A.—Yes.

- Q.—That covered at 7 and 14? Who cut away the brush? A.—He looked after that.
- Q.—He did the actual work? A.—Yes.
- Q.—Who ploughed the fire-guards? A.—I find there was no ploughing done.
- Q.—Did Gooley have anyone working with him? A.—Not to my knowledge.
- Q.—Now, Seedhouse, how long did he work? A.—7 days in May, 1913, 30 in June, 31 in July, 31 in August, 30 in September and 22 in October.
- Q.—How much did you pay him? A.—\$2.00 per day.
- Q.—That was 1913? A.—Yes.
- Q.—Was there any ploughing done up there for fire-guard? A.—They burned around there, the old bark and brush was burned.
- Q.—He did it himself? A.—Yes.
- Q.—Now, 1914? A.—We paid Seedhouse for 9 days in May, 30 days in June, 23 in July, at \$2.00 per day; the rest of the season was wet.
- Q.—How about Gooley? A.—He wasn't engaged in 1914.
- Q.—And Seedhouse was looking after the whole thing? A.—No, we shipped out practically all the poles at Mileage 7 and 14, practically all.
- Q.—I understood you yesterday, there were 1510 at Mileage 7? A.—Yes, there were 1915 at the last inventory at Mile 7, none at Mile 14.
- Q.—Who was looking after poles at Mile 7? A.—No one.
- Q.—You had none at Mile 14? A.—No, everything had been burned up in the first year so they were considered fairly free from fire.
- Q.—Then at Mile 21? A.—Seedhouse looked after that in 1914.
- Q.—How many had you there then at 21? A.—2754 in 1914 at 21, and 112 at 27.
- Q.—Now, when did you ship the poles from 14? A.—We shipped most of them out during October and November, 1913.
- Q.—That is at Mile 14? A.—Yes.
- Q.—How many had you there altogether? A.—4,444.
- Q.—Now, from whom did you purchase these? A.—At Mile 14?
- Q.—Yes. A.—From Thos. McGee and McKeene.
- Q.—What price did you pay? A.—McGee we paid \$1.28.
- Q.—Who was the other man? A.—McKeene.
- Q.—What did you pay him? A.—We paid him \$1.40.
- Q.—You paid McGee \$1.28 and McKeene \$1.40? What length from McGee? A.—25-ft. tamarack.
- Q.—McKeene? A.—25-ft. tamarack.
- Q.—They were delivered the same year? A.—Yes.
- Q.—Same time? A.—Yes, practically the same month.
- Q.—What is your explanation of paying one man \$1.28 and the other one \$1.40?
- A.—They were purchased on tenders and in order to carry out our program of construction it was necessary to take all large tenders.
- Q.—You have not used all poles? A.—No, not yet.
- Q.—How many thousand have you lying up there now? A.—We have about 2500.
- Q.—Still there? A.—Yes, at different points.
- Q.—How many did you get from McGee? A.—1219.
- Q.—How many from McKeene? A.—3225.
- Q.—How about poles at Mile 7, from whom did you purchase those? A.—McKeene.
- Q.—Just a minute, what day did you enter into contract with McGee for his poles?
- A.—I don't know that I have that contract here but it would be February, 1913.
- Q.—You have a copy of his tender? A.—Yes, there is one in the files.
- Q.—You can have that dug out sometime to-day and left here. What day did you enter into contract with McKeene? A.—Practically the same time, the contracts will show the exact date.
- Q.—You can leave that also and all correspondence that passed between McGee and McKeene and yourself in connection with those tenders. Now, at Mile 7 from whom did you purchase poles there? A.—McKeene.
- Q.—All from McKeene? A.—Yes.
- Q.—At what price? A.—20 foot \$1.15, 25 foot \$1.40.
- Q.—Now, how many did you purchase from McKeene at that point altogether in 1915? A.—2108.
- Q.—And you say you have 1915 there now? A.—Yes.
- Q.—Have you sold any? A.—No, we shipped them out this last year, this last year is the first year the C.N.R. placed a car there at these sidings.
- Q.—How many did you ship out this year? A.—One car.
- Q.—Then at Mile 21 how many poles have you purchased there? A.—2754.
- Q.—From whom? A.—McKeene.
- Q.—At what price? A.—They were all 25-foot at \$1.40.
- Q.—What time were these purchased or contracted for? A.—One contract covered them all.
- Q.—7-14-21 and then Mile 28? A.—112.
- Q.—How many were there originally? A.—112, that's all we ever bought there.
- Q.—That was at \$1.40? A.—Yes.

Q.—Who loaded these poles on the car which you shipped out from these points—Miles 7, 14, 21 and 28? A.—George Lee and R. J. Shaw and Pete Gooley.

Q.—He is the man who did the fire-guarding? A.—No, his brother.

Q.—Who paid them for loading on the cars? A.—They were paid by voucher through the ordinary channels.

Q.—That is they were paid by the Government, they worked for the Government? A.—Yes.

Q.—How long did they put in loading poles on cars? A.—Gooley was paid so much per pole.

Q.—How much? A.—Ten cents.

Q.—For loading all poles? A.—Yes, all poles. He furnished everything, even wire and cord for stacking.

Q.—And George Lee, what was he paid? A.—He is on a monthly salary.

Q.—How much per month does he get? A.—\$100.00.

Q.—How long did he spend up there? A.—I have not his time sheets.

Q.—Can you get me the number of days he spent up there looking after loading of these poles? A.—Yes.

Q.—R. J. Shaw, who was he? A.—He was employed by the Department on a monthly basis.

Q.—How much per month? A.—\$90.00.

Q.—How long did Shaw spend up there loading poles? A.—His pay sheets will show that.

Q.—You can procure that information? A.—Yes.

Q.—Now, how many poles did Gooley load? A.—I can send down and get his voucher and tell you.

Q.—All right. Now, just state the total number of poles which were paid for at Miles 7, 14, 21 and 28 on the Onoway Branch. Just put them down in total. Take Mile 7—A.—2108.

Q.—14? A.—4444.

Q.—21? A.—2754.

Q.—28? A.—112; that should be really Mile 27 not 28.

Q.—That makes a total of 9,418 poles altogether. Were any of these poles lost? A.—Not to my knowledge.

Q.—Do your records show any shortage? A.—Of poles?

Q.—Yes, at these four points? A.—One point only.

Q.—What point? A.—Mile 7.

Q.—How many short? A.—39.

Q.—Were any poles used for car stakes? A.—Yes.

Q.—How many at these points? A.—At these points—no, we used culls, used mostly culls.

Q.—How many altogether? A.—That I cannot say, we used four per car.

Q.—Do you pay for any cull poles? A.—No.

Q.—Do you know how many culled poles altogether in the 9,000? A.—I can give you the cost only.

Q.—That's all right if you cannot—but you don't pay for any culls? A.—No, we do not pay for any culls.

Q.—Now, we have taken the years 1913 and 1914—Now 1915, what was the arrangement, who looked after things? A.—Inspector Lee, he went up and fire-guarded.

Q.—Where at? A.—Mile 7 and also looked after poles at Miles 21 and 27.

Q.—How long was he up there fire-guarding? A.—He left Edmonton April 13th.

Q.—What year, 1915? A.—Yes, and returned on April 16th. And that included poles on the main line at Mile 42.

Q.—That's three days he was away? A.—Yes.

Q.—How long was he fire-guarding? A.—Well, he had four points to fire-guard within three days.

Q.—What would he do in fire-guarding? A.—Burn all dry grass and brush which might be within there.

Q.—Did he do it himself alone? A.—At one point, Mile 7, he hired the C.N.R. section man.

Q.—How much did he pay him? A.—He paid him \$1.50—and it required two to beat back the fires.

Q.—How many poles did he have to inspect on the main line? A.—Our records show they were all shipped out.

Q.—When he made that trip? A.—Yes.

Q.—Then he would not have to inspect any on the main line? A.—No.

Q.—What were you paying Lee per month? A.—\$100.00.

Q.—He left on the morning of the 14th—A.—No, 13th.

Q.—He came back on the evening of the 16th? A.—He arrived in Edmonton on the 16th.

Q.—What time does the train come in? A.—I cannot say.

Q.—The evening train, the C.N.R., I suppose? A.—I am not familiar with the timetable on that branch.

Q.—Where did you ship the poles to? A.—From Mile 7 they were shipped to Leduc, from Mile 14 they were shipped to Bittern, Lakeview, Ohaton, Morningside, Vermilion, Bawlf, Daysland, Hardisty, Killam, Loughheed, Strome, Sedgewick, Clover Bar, Bremner Siding, Harmattan, Tofield, Ryley, Viking, Wainwright, Edgerton, Camrose.

Q.—On what branches of railways are these places? A.—Were they?

Q.—Yes. A.—They were at points between Edmonton and Wetaskiwin on the C.N.R. and the Grand Trunk, and C.P.R.

Q.—How many points on the G.T.P.? A.—10.

Q.—How many on the C.N.R.? A.—1.

Q.—How many on the C.P.R.? A.—11.

Q.—Did you use any of the poles up in that country, the Peace River Branch? A.—Not in construction there.

Q.—What freight did you pay from these various points on the Onoway Branch to Edmonton over the C.N.R.? A.—I cannot say off-hand.

Q.—Can you get this information for me? A.—It will be rather difficult.

Q.—You have all the freight records? A.—Yes, but it will mean several hours' work, and additional staff.

Q.—Well, when you, I suppose when you shipped over the C.N.R. and C.P.R. you would have to pay the C.N.R. their freight and the C.P.R. their freight and the two freights are kept distinct? A.—No.

Q.—Or were they put on bills, on way-bills— A.—Yes, on way-bills.

Q.—The C.P.R. would be the railway which collects the freight? A.—Yes, then they show advance charges.

Q.—Now, you had poles on the main line of the C.N.R., had you? A.—Yes.

Q.—What points? A.—Mile 42.

Q.—How many? A.—441—20 ft., 313—25 ft.

Q.—From whom did you purchase those? A.—All purchased from McKeene.

Q.—At what time? A.—Same time as the others.

Q.—February, 1913? A.—Yes.

Q.—At what price? A.—We also purchased poles at Lac St. Anne, 244—25 ft. Lac St. Anne is on the Main Line. Paid \$1.15 for the 20-ft. and \$1.40 for the 25-ft.

Q.—And at Lac St. Anne? A.—The same.

Q.—What quality of wood? A.—Tamarack.

Q.—All tamarack poles? A.—Yes.

Q.—How far is Lac St. Anne from Edmonton? A.—I think 48 miles, I think it is six miles beyond Mile 42.

Q.—Where are these poles? A.—From 42 we shipped them to Gadsby, Halkirk and Castor.

Q.—Those are on the line of the C.P.R.? A.—Yes.

Q.—Did you ship them all out? A.—Yes.

Q.—Were there any shortage in poles there? A.—No.

Q.—Any used for car stakes? A.—No.

Q.—Who loaded them? A.—I think George Lee, I would not swear to that.

Q.—Have you any record? A.—Yes.

Q.—And the amount paid for wages for services for loading? A.—He was on a monthly salary.

Q.—But Lee could not load the poles himself? A.—No.

Q.—He would have to hire men and teams? A.—Yes.

Q.—You can produce vouchers for the men and teams, and pay sheets? A.—If necessary, it involves a lot of time.

Q.—I want them and the length of time he spent there. Now, at Lac St. Anne what became of those poles? A.—They were shipped out, our records do not show where.

Q.—The record does not show where. Have you no record to show where those poles went to, 244 25-ft. poles? A.—I think we can find it.

Q.—I wish you would trace up where the 244 went to. Those records I suppose do show where they came from? A.—Not necessarily, it is not important from where they came.

Q.—But it is important where they go to? A.—It is important they are accounted for.

Q.—These 244 went from Lac St. Anne and you want to know where they went to, don't you? A.—I knew at the time.

Q.—You don't keep a record? Do you mean you let 244 go out and keep no record where they went to? A.—Yes, at the time, as long as the car is accounted for, that's all we are interested in.

Q.—Don't you know where they went to? A.—I can find out; it is immaterial to us.

Q.—You might just find out and give me the car number. A.—Yes, we could get that from our records, but it is a lot of labor.

Q.—Now, when were all these poles shipped out from Lac St. Anne and Mile 42? A.—In 1913.

Q.—What month? A.—From Mile 42 in June, I presume they were loaded the same time at Lac St. Anne.

Q.—Does your record show at Lac St. Anne? A.—No, the card record does not.

Q.—But the card record shows at Mile 42, shows when and where they were shipped to? A.—Yes.

Q.—Now, was there any fire-guarding done there? A.—No.

Q.—Not at all? A.—No.

Q.—No man looking after that? A.—No.

Q.—They were loaded on to the cars at the expense of the Government? A.—Yes, all poles are, all tamarack poles are.

Q.—So you never bought tamarack poles loaded on cars? A.—Never.

Q.—Now, can you tell me the freight you paid on these various carloads of poles to their destinations? A.—Our freight records will show.

Q.—You can get them for me? A.—Well, if we keep on I don't know—

Q.—Did you have any more poles in that country? A.—On the C.N.R.?

Q.—Yes. A.—No.

Q.—Did you have any on the Edmonton-Dunvegan & B.C. Railway? A.—No.

Q.—On the G.T.P.? A.—Yes.

Q.—Where? A.—I gave you the list of points. Bickerdike.

Q.—How many? A.—432 20-ft., 1323 25-ft.

Q.—From whom did you buy these? A.—T. J. Alexander.

Q.—At what price? A.—20-ft., \$1.10; 25-ft., \$1.25.

Q.—Where were they used? A.—Killam, Sedgewick, Lougheed, Hardisty, Provost, Delburne, Alix.

Q.—Have you paid the freight over the G.T.P.? A.—Yes.

Q.—From Bickerdike to Edmonton? A.—Yes.

Q.—And over the C.P.R. from Edmonton to these points? A.—Not all of them; four were on the G.T.P.

Q.—What four? A.—Alix, Delburne, Provost, Hardisty. No, three, Provost is not.

Q.—Yes, what other points did you— A.—I will read you the list:—Bickerdike, Ferintosh, Rosevear, (reads from list not turned in as exhibit).

Q.—They are on the Grand Trunk? A.—Yes.

Q.—Who supplied all poles at the various points there? A.—There was Wabamun also. F. J. Francey at Wabamun.

Q.—How much? A.—I would have to look up his contract, it is right here.

Q.—How many did you get from him? A.—1576 from my notes. I would not swear to it, it is very close—1576 25-ft. and 795 20-ft.

Q.—How many different contractors did you have? A.—We had 20 of them.

Q.—Contractors altogether for tamarack poles? A.—Yes.

Q.—Have you all their contracts together? A.—There is the whole bunch of them.

Q.—Relating to these? A.—Each is a separate file.

Q.—But you take Francey now, you have all his contracts together? A.—Yes, I can give you the price here. Francey—20-ft. \$1.25. (See Exhibit 1, April 18, 1916).

Q.—These are all tamarack poles? A.—Yes, that is a list made up from a number contracted for in the same place, they supplied a few more, in some place a few less.

Q.—Well, does it cover all your tamarack contracts? A.—No, I would not say it does, no, it does not. Here is a list made up of those contracted for west of Edmonton on the C.N.R. and G.T.P. at Clyde and Tawatinaw.

Q.—That covers north and west of Edmonton on the C.N. & G.T.P.? A.—Yes, those purchased from Fort Saskatchewan on the C.N. But there were others. It does not cover them all.

Q.—Do you suppose you can compile a statement without taking the time of the Committee here in going over this? A.—Yes. By going through the files?

Q.—By going through the files—have you no record showing the tamarack poles purchased and at what price? A.—Not tabulated.

Q.—You would have to go through your whole files? A.—Yes.

Q.—Do you know how many tamarack poles you purchased altogether? A.—There is a file here some place which gives it tabulated. Here is a statement: (He produces Exhibit 2, April 18, 1916).

Q.—This covers all tamarack poles delivered? A.—Yes.

Q.—When would you say these were all contracted for? A.—All contracted for in the spring of 1913.

Q.—About the month of February? A.—February or March.

Q.—Of 1913? A.—Yes.

Q.—And delivered in that spring. A.—Yes.

Q.—Now, were they used at the points where they were delivered or delivered there for shipment throughout the Province? A.—Majority were delivered for shipment, few for use in the vicinity—I can pick those out.

Q.—Pick out those for use in the vicinity? A.—Rocky Mountain House, Rimby, Millet, Bismark, Conjuring Creek, Shandro, Pakan, Rich Valley.

Q.—None of the poles referred to in that schedule—they were just delivered at the rail-

road and not loaded on the cars, the Government paid the expense of loading these? A.—Yes, all that were loaded.

Q.—Have you any fire-guard or caretaker at any other points in the Province? A.—None.

Q.—Have you any poles further north than Mile 28 on the Onoway Branch? A.—No.

Q.—You have none on the C.N.R.? A.—No.

Q.—On the Edmonton-Dunvegan? A.—No.

Q.—And you are not prepared to state what the cost of loading up-to-date has been? A.—I cannot say.

Q.—Your records would show that? A.—They varied from $8\frac{1}{2}$ cents to 10 cents per pole to load.

Q.—On the car for distribution? A.—Yes.

Q.—Do you think ten cents as an average will cover all cost? A.—Yes.

Q.—You say ten cents is the outside? A.—Yes, we have loaded them for 8 cents.

Q.—You have loaded them for 15 cents? A.—Yes, a few cars.

Q.—But ten cents as an average will cover everything? A.—Yes, the majority are between 8 and 10 cents.

Q.—That is work and labor items, etc.? A.—Yes, everything; number of men and everything.

Q.—How many poles on a car, a total average? A.—140 to 150 25-ft. The 20-ft. run up to one load as high as 250 of 20-ft. It depends on the size of the car and capacity of the car. From 175 to 250 20-ft.

Q.—Which is a better pole, cedar or tamarack? A.—The tamarack used in its native country appears to last equally as long as cedar.

Q.—Have you had experience in that line? A.—Not outside of this Province. I have received a good deal of information from experts but it is only from questions made to them.

Q.—Then you mean in its native country you mean where it grows? A.—Yes.

Q.—Not on the prairie? A.—They would not last on the prairie.

Q.—You would be willing to state in your opinion there is a difference in the period of life between the two? A.—No, I have never been where they have been used, not enough to speak from experience.

Q.—What do you understand from experience or advice you received that the life of a tamarack pole is? A.—15 to 20 years.

Q.—Tamarack should stay in the ground and not rot out for anything for 20 years? And cedar poles? A.—They are practically the same lived. We have had cedar poles rot off down Claresholm and Granum, about 8 poles.

Q.—Any particular reason for that? A.—On account of the open nature of the soil.

Q.—Have you had them rot off in any other place in the Province, do you know? A.—Not more than an odd pole.

Q.—Which might be a fault in the pole? A.—It might.

Q.—Your poles are all inspected before being accepted? A.—Yes.

Q.—Where do you inspect, at the point of loading? A.—Tamarack at the point of loading, cedars at point of delivery.

Q.—In this Exhibit 2, April 18th, does that show all tamarack poles you purchased? A.—To the best of my knowledge, yes.

Q.—That is in 1913? A.—Yes.

Q.—Did you purchase any in 1914? A.—Yes, a few to complete the work which was undertaken that year?

Q.—Where did you purchase them? A.—A few on the Athabasca line, we also purchased a few at or near Rich Valley.

Q.—Where is that? A.—Northeast of Onoway in that district.

Q.—Where were the ones used which you purchased on the Athabasca line? A.—On rural lines radiating out of Athabasca.

Q.—How many did you purchase? A.—I cannot say off-hand, possibly two miles, one or two miles—just enough to complete the local work.

Q.—It was just a case of completing local work? A.—Yes.

Q.—How much per pole did you pay? A.—I cannot say off-hand, I think \$1.25 at the line, laid down on the ground.

Q.—The last lot you speak of at Onoway— A.—We bought some laid down—

Q.—You were using them in that country? A.—Yes.

Q.—Did you purchase any more in 1914? A.—I cannot recall any other points.

Q.—Did you purchase any in 1915? A.—Not that I can recall.

Q.—How many tamarack poles have you on hand now? A.—Approximately 29,858.

Q.—Where are they piled at, at how many different points? A.—114 different points through the province.

Q.—Are these points in the north or south or both? A.—Practically all in the north of Red Deer.

Q.—How long have they been at these 114 different points? A.—Some since 1913, others have been shipped in within 1914-15.

Q.—Would the majority of these have been there since 1914? A.—We had had poles at these points since 1913, I don't know whether they have been shipped—

Q.—There have been poles since 1913 at 114 different points? A.—I cannot say they are the same poles.

Q.—Now, I asked you yesterday in regard to jack-pine. Did you look that up? A.—We have 1468 in stock.

Q.—Where are they in stock? A.—Sundre and Harmattan.

Q.—How many at Sundre? A.—9 at Harmattan and the balance at Sundre.

Q.—How many jack-pine poles did you buy in 1913? A.—1556.

Q.—Had you any on hand, how many? A.—1468.

Q.—What became of the difference between 1556 and 1468? A.—Put into service.

Q.—Where? A.—At Harmattan rural lines radiating out of Harmattan.

Q.—That would be 48 poles you put into service? A.—Yes.

Q.—From whom did you purchase them? A.—Henry Lyon.

Q.—How many? A.—100.

Q.—Where does he live? A.—Elcan.

Q.—What price? A.—\$1.00.

Q.—Who else? A.—R. M. Farland, Didsbury, 101 at \$1.00; John Taynor, Elcan, 101 at \$1.00; Sam Martin, Sundre, 102 at \$1.00; P. L. Seaman, Sundre, 103 at \$1.00; R. L. Anway, Mound, 111 at \$1.00; O. S. Thompson, Sundre, 160 at \$1.00; F. Bird, Sundre, 100 at \$1.00; D. H. Griswold, Sundre, 105 at \$1.00; Thos. M. Grey, Leigen, 152 at \$1.00; D. H. Heanes, Mound, 150 at \$1.00; W. J. Dongan, Bergan, 65 at \$1.00; R. J. Bergan, 65 at \$1.00; E. McWhorter, Didsbury, 151 at \$1.00.

Q.—And you paid them all \$1.00 apiece? A.—Yes.

Q.—Delivered where? A.—They were delivered at Sundre.

Q.—In a pile at Sundre? A.—I cannot say whether delivered in one or more piles.

Q.—Was there any expense in connection with the hauling or piling or caring for these? A.—No.

Q.—When were they last checked over? A.—End of last summer, 1915.

Q.—They were all there then? A.—He was out in the summer of 1915, I cannot give you the date.

Q.—You had no loss in connection with them? A.—No.

Q.—They were there still? A.—Yes.

Q.—Do you know anything about the relative merits of jack-pine and tamarack and cedar? A.—Tamarack and cedar will outlive jack-pine.

Q.—What size poles were they? A.—5-inch.

Q.—What length? A.—25-ft., 5-inch top.

Q.—Is that your usual standard for 25 ft.? A.—Yes, tamarack.

Q.—The standard is 6 inches? A.—Yes, 6 inches or 7 inches.

Q.—There is no doubt in your mind that a cedar pole is the best pole? A.—It depends where it is used.

Q.—Generally speaking? A.—Yes. Generally speaking.

Q.—Take a tamarack pole for Harmattan and Provost and a cedar and jack-pine—there is no doubt the cedar is the better pole? A.—Yes, but the price would be almost prohibitive—cedar poles would be prohibitive practically to haul in through a country such as Harmattan and Sundre.

Q.—But there is no doubt the cedar pole is the better pole of the three classes? A.—Used in the southern part of the Province, yes.

Q.—Why do you reduce the specifications from six inches in cedar to five inches in jack-pine? A.—The jack-pine is practically the same as tamarack, the nature of the wood in the pole.

Q.—Why not hold it up to the same standard—6-inch top? A.—It would be practically too heavy and cumbersome to handle.

Q.—They are on the ground? A.—But the 6 inch tamarack is out of class on account of weight. It is a regular saw log. These jack-pine poles are fire-healed which adds greatly to their life.

Q.—That is fire had gone through the bushes? A.—Yes.

Q.—How long before they were cut did the fire go through them? A.—I cannot say.

Q.—Did you ever have any experience in timber before? A.—No.

Q.—Don't you know it damages poles to have fire go through them and let them stand for a year? A.—If you want them to live.

Q.—Now, you had some heavy shipments of poles into Calgary in 1913? A.—Yes, cedars.

Q.—Do you remember the number of carloads you brought in there? A.—No, I don't.

Q.—Do you remember whether you owned the land you brought them in on? A.—We do.

Q.—Did you unload them on your own land? A.—We piled them on our own land.

Q.—Right off the cars? A.—No.

Q.—How many teams did you employ hauling poles? A.—I cannot say.

Q.—You have a line now right alongside of the track? A.—No.

Q.—Did you not purchase some land? A.—There is no spur to it, the spur is on the adjoining land.

Q.—Was it on adjoining land when the poles were bought? A.—Yes.

Q.—Do you remember how many men you had employed hauling poles? A.—No.

Q.—You can get that and how long hauling and piling? A.—That would be handled by our Calgary City foreman and gang.

Q.—You don't know how many months they were hauling? A.—They were never hauling for any long period.

Q.—Well, you don't know the particulars of that? A.—Not off-hand, no.

Q.—Now, did you have any yard at Okotoks? A.—Of our own?

Q.—Yes. A.—No.

Q.—Did you have one at Midnapore? A.—No.

Q.—Did you at Okotoks and Midnapore as centres of distribution? A.—No.

Q.—Why did you unload so many poles at Midnapore and Okotoks in 1913? A.—On account of the rural work laid out around those points.

Q.—When was the rural work laid out? A.—In the winter of 1912-1913.

Q.—It was laid out about the month of March, 1913, wasn't it? A.—No, previous to January.

Q.—Did you contract it? A.—No, not all.

Q.—How much did you contract? A.—I cannot say off-hand.

Q.—What lines had you laid out for Okotoks district? A.—I don't know that we have any maps showing that or not.

Q.—Do you remember, Mr. Pearce, what you had laid out? A.—Our files will show. There 560 25-ft. estimated for Midnapore, and 300 20-ft. for Okotoks, there were 528 30-ft., 640 25-ft. and 372 20-ft.

Q.—The Midnapore poles were for some of the Calgary circuits? A.—Rural circuits running south.

Q.—How many did you use in the Okotoks district? A.—I cannot say.

Q.—How many carloads did you deliver at Midnapore? A.—Approximately—

Q.—Do you know actually the number? A.—Our reports will show, I cannot lay my mind on it right now.

Q.—How many carloads did you deliver at Okotoks? A.—That I cannot say.

Q.—How many miles of line have you constructed in the Okotoks district since 1913? A.—Do you mean Okotoks rurals? Our annual reports will show. I cannot say off-hand.

Q.—Have you constructed any? A.—There have been some additions.

Q.—How many? How many miles? A.—I cannot say.

Q.—Will your annual report show the Okotoks district? A.—It will show the number of miles connected with each switching point.

Q.—In Okotoks? A.—Yes.

Q.—But you cannot say the number of miles? Do you know how many carloads of poles you hauled out of there? A.—Our freight records will show, I cannot say off-hand.

Q.—What reason did you have for taking poles away from there, you had a distinct program laid out for Okotoks district? A.—Yes, there was.

Q.—Why did you abandon that and haul them away? A.—We required them at other points.

Q.—Did you build the required telephone down there? A.—I don't handle the rural petitions.

Q.—But you know they were hauled away? A.—I knew they were required in other points and used them.

Q.—Now, you have your pole distribution file? A.—What do you mean by pole distribution file?

Q.—What poles were distributed over the trunks. A.—Do you mean hauled out from stations?

Q.—Yes. A.—Hauled out wherever we used them.

Q.—But carload lots—you had a big distribution business in 1914—Do you know how many carloads you hauled in 1914 to the different points? A.—Our freight record will show.

Q.—Will your pole distribution show? A.—No.

Q.—You don't grow cedar in the northern part of the Province? A.—No, but we used them on the toll lines.

Q.—Have you your pole distribution file here? A.—What do you mean by that?

Q.—The record showing the poles shipped by carload lots, from one point to another. A.—The only record we have is the freight record, the only—in other words, would be by getting estimate at different points.

Q.—Where do you buy your cedar poles? A.—Mostly in British Columbia and Washington.

Q.—At what points were they loaded on the cars? A.—Several points, I cannot tell you off-hand. All in the southern part of British Columbia, mostly in the Crow's Nest branch.

Q.—Do you know how many carloads you had shipped in from Washington? A.—Our contract called for not more than fifty thousand.

Q.—Did you get that many, as a matter of fact? A.—I know we held them to the contract.

Q.—They just complied directly to the contract? A.—I cannot say they complied directly they did not ship more, that was the only point we watched.

Q.—Did you pay freight from the point of shipment? A.—Yes.

Q.—Was there any duty charge? A.—No.

Q.—In free of duty? A.—Yes.

Q.—Now, can you tell me the number of carloads shipped from the different points of cedar poles? A.—We would have to go through all the shipping files.

Q.—Don't you keep a record and can turn up and see you received so many poles from such a point? Who was your contractor? A.—We bought cedars from Lindsley Brothers.

Q.—They had an account here? A.—Yes.

Q.—You would not credit them with so many cars from each point? You can get us the number of poles shipped from each point? A.—Yes, they are all here.

Q.—You had a large number of cedar poles shipped to Edmonton here? A.—Not a large number, we had some here, we required them for the toll lines.

Q.—Did you use them here? A.—We had them shipped here and distributed to other points.

Q.—How many carloads did you have shipped from Edmonton to Strathcona? A.—We shipped approximately 840 poles which we bought second hand from the City of Edmonton. At least it was in the agreement when the city took over the south side plant we would take over the poles at a stated price.

Q.—Which were on hand? A.—No, in the ground, when they purchased the plant they compared their telephone leads and electric leads which required 40 45-foot poles, 30-foot poles were of no use to them. We credited it back.

Q.—You purchased them? A.—Yes.

Q.—Did you estimate the number? A.—846 lies in my mind, it was 800 some odd.

Q.—When were they taken out of the ground? A.—Taken out in 1913 or 1914.

Q.—How long had they been in the ground? A.—These poles we had set ourselves when we put in the Strathcona plant.

Q.—What years? A.—Until we sold, in 1912, various years.

Q.—Where were they piled after taken out of the ground? A.—Edmonton property on the C.N.E.

Q.—Within the city limits? A.—Yes.

Q.—What did you pay for them? A.—\$1.00 per pole.

Q.—These were shipped to Strathcona? A.—Yes.

Q.—All of them? A.—I think all of them.

Q.—Had you a yard at Medicine Hat? A.—Of our own property?

Q.—Yes. A.—No.

Q.—Do you know how many carloads you shipped out of Medicine Hat? A.—No, we took out a number of poles there, when we rebuilt the plant in 1914 which were cut off close to the ground, that is at the base line and used for 25 foot poles. We had no longer any use for them in Medicine Hat.

Q.—You had no yard at Alix to store any for distribution throughout the Province? A.—Yes, we did.

Q.—Where to from Alix? A.—To points east and points south.

Q.—And had you a yard at Kitscoty? A.—No.

Q.—Lloydminster? A.—No.

Q.—Okotoks? A.—No.

Q.—Innisfail? A.—No.

Q.—Did you have distribution yards only at settled country points to supply poles—did you make these the storage centres? A.—We shipped poles in there.

Q.—Did you ship them there for distribution throughout the Province—did you consider them central points to store poles? A.—Some of them, yes.

Q.—Which ones, Alix? A.—Yes.

Q.—You shipped poles from Alix to Acme? A.—Yes.

Q.—You know where Acme is? A.—Do you mean from Alix to Acme?

Q.—Yes. A.—Yes. We shipped some cedars. It is just out of Lannigan.

Q.—Do you think it is a good plan to store poles at Alix? A.—It depends where you require them.

Q.—Would not Calgary have been a better place than Alix? A.—We did not think so—Calgary—we did not think we required them at Calgary.

Q.—But to ship poles out of Alix—it is not a good place to store at Alix? A.—It would depend where we required them for, we did not think so.

Q.—But don't you think a better place to store them would be Calgary? A.—If there is anybody in this country who would know far enough ahead to know where to construct—

Q.—But you looked far enough ahead, in 1913 you had 4107 miles in 1914 you knew exactly where you were? A.—Yes, same as 1912, we ran over 4,000 in 1912.

Q.—Then Lloydminster, had you a storage yard there? A.—No.

Q.—Kitscoty, Okotoks? A.—No.

Q.—Innisfail? A.—It was good practice to ship out from, it was very convenient to load.

Q.—Do you think Innisfail a very good point to ship out poles to Strathcona? A.—If they are required.

Q.—But do you think Innisfail a good place to ship five carloads of poles to Strathcona, do you think it a good storage place—Innisfail for Strathcona? A.—It would be cheaper to ship from Calgary, of course it would.

Q.—Nevis? A.—No.

Q.—Byside? A.—No.

Q.—Tofield? A.—Yes.

Q.—You had one there? A.—Yes.

Q.—It is a good place to ship from to Excel? A.—Where is Excel?

Q.—I don't know, on the C.N.R. A.—It depends on the class of pole shipped.

Q.—Well, a 30-ft. pole? A.—They would be cedar poles?

Q.—Yes, I am talking about cedar poles? A.—We take them where we had piles suitable.

Q.—Name the places in the Province? A.—Exactly?

Q.—You had a program in 1913 laid out and distributed poles all over the Province? A.—Yes.

Q.—Well, when you wanted to construct you had to haul them over the Province and pay freight? A.—You know there are many sections where people have moved out since 1912 and we had nobody to build for.

Q.—Many move out of Okotoks? A.—I have not been down.

Q.—Don't you know as a matter of fact many have not? A.—Many oil men have moved out—it is impossible to figure three years ahead.

Q.—I am informed you moved carloads from Okotoks to Midnapore? A.—We moved them out because we required them at other points.

Q.—But you had your program laid out for Okotoks? A.—Yes.

Q.—And the people had not moved out of that locality? A.—As far as the rural conditions goes that does not come under me.

Q.—Now then, Medicine Hat, you shipped from Medicine Hat to Gleichen, that is a long haul, is it not? A.—Yes, but they were poles taken from Medicine Hat Exchange—

Q.—Barron to Vulcan? Did you take any poles out of the exchange there? A.—No.

Q.—Castor to Vetrova? A.—No, that was a short haul.

Q.—And South Edmonton to Clyde? A.—I am afraid we did not ship poles from Edmonton to Clyde, we purchased poles at Clyde.

Q.—Vermilion to Dobson? A.—I don't know.

Q.—Vegreville to Dobson? A.—Maybe on Canadian Northern points.

Q.—Provost to Sedgewick? A.—Both Canadian Pacific points.

Q.—But you had no storage yard at Provost, had you? A.—No.

Q.—On June 28th I am informed you shipped poles from Provost to Sedgewick, two carloads? A.—1915?

Q.—Yes? A.—It is possible.

Q.—On June 28th some two carloads, Sedgewick to Hardisty. Why would you be shipping any carloads of required tamarack poles, the same lengths 25-ft. 5-inch poles? A.—I would have to check that before I would take it.

Q.—Sedgewick to Provost, June 24th; Sedgewick to Hardisty? A.—If these shipments were made they can be explained.

Q.—There is no doubt they were made and no doubt you can explain them. Were you cutting tamarack poles in Sedgewick? A.—No.

Q.—Where would they be shipped from? A.—Likely from Grand Trunk Pacific points.

Q.—Why not ship poles from Sedgewick to Harmattan, etc., to carry out your program as you kept it?

Q.—MR. MACKAY:—With reference to weekly reports which the foremen sent in, concerning which you gave evidence yesterday, what is your system of dealing with them? A.—We have a standard routine covering the retention of all our plant records.

Q.—How long do you keep those reports? A.—They vary, depending on their importance.

Q.—Is there any system you follow in keeping reports? A.—Yes.

Q.—What is it? A.—We have a standard Accounting Circular which sets forth the periods which the various reports are to be retained.

Q.—To whom would you send that circular? A.—To the officials who are interested only.

Q.—I see some are kept permanently, some two years, some six years and some one year? (Exhibit 3, April 18, 1916). A.—Yes.

Q.—What was that based on? A.—The information contained in those records, all information which is essential to our head office is kept permanently.

Q.—Nothing then you destroy which it is necessary to keep, at any time? A.—No.

Q.—Give me an illustration of what is kept permanently? A.—All pay rolls, vouchers, etc., we keep, all our general ledgers containing the cost of both time and material.

Q.—That is what I want to get at—you keep permanently labor cost and material cost? A.—Yes.

Q.—You keep permanently anything which shows the cost of any particular line? A.—Yes.

Q.—Is there any object in keeping or destroying what you mentioned? A.—Absolutely no.

Q.—It simply means keeping a lot of waste paper? A.—Yes.

Q.—Coming to your work in 1913 and what you did in 1913 and beginning in 1913, explain what you proceeded on with reference to your proposed work in 1913? A.—Studies were made of the Province by the rural branch which were based on petitions and applications—

MR. TWEEDIE:—You told me you did not know anything about that?

MR. MACKAY:—He can give the general practice.

THE WITNESS:—Studies were made by the rural branch from petitions and applications received from the farmers throughout the Province and these were laid out on what we call Provincial Sections.

Q.—MR. MACKAY:—When would that be done, before, or was it done? A.—In the fall or winter of 1912 they were then gone over by the Deputy Minister and those that qualified are approved by him then turned over to the construction department to arrange for distribution of the poles and material, after it has been purchased.

Q.—How many miles of telephone line were actually constructed in 1912—the actual work done in 1912? A.—There is 2672½ miles of pole line built for rural lines. 603½ for toll lines, in 1912. That is the extent of the rural long distance. There were a few exchanges built at Athabasca Landing, Lakeside, Clyde, Chipman, Coronation, Edson, Islay, Redcliff, and there were also quite a number of exchanges rebuilt.

Q.—In 1912? A.—Yes.

Q.—Did you reach the estimate in 1912 which you made of that year, in 1911 and 1912, did you reach the full estimate of the actual construction in 1912? A.—I cannot say off-hand.

Q.—You built practically 3000 miles of telephone? A.—We built practically in 1912 as we did in the last six years.

Q.—You built 3400 in 1912 beside the work on the exchanges which you speak of, now then coming to the next year can you say how many miles you planned for in 1913? A.—Approximately 4500, we had—

Q.—MR. TWEEDIE:—Wasn't it 4700? A.—Yes, possibly, we had applications in to cover possibly that.

Q.—MR. MACKAY:—You had applications and petitions for 9000 and after going through them the way you explained— A.—That's all we could build.

Q.—In 1913? A.—Yes.

Q.—About what time would you arrive at a decision to build 4500? A.—In the early months of 1913.

Q.—Then you did not contract them? A.—No.

Q.—What was the reason? A.—We could not get men to build lines. There were not enough experienced men in the Province.

Q.—Any other reason? A.—The program was cut down for other reasons.

Q.—Do you know the reason? A.—I am not familiar with the details.

Q.—But the general reason, why was it cut down? A.—There was a financial depression at that time.

Q.—Exactly, the program was cut down? A.—Yes.

Q.—It would—to what extent on that account? A.—To a very large extent on that account, after that we arranged to contract practically all our work.

Q.—What? A.—To handle all the work by contract in 1913. Later on, the end of 1913 it was necessary to even cancel a part of our contracts.

Q.—Why? A.—On account of the financial conditions existing.

Q.—The money wasn't available? A.—No.

Q.—You had to cancel a part of the contracts to carry out on actual plant work? A.—We did.

Q.—Do you know how many miles you contracted for 1913? A.—1020 miles rural toll lines, 290 miles long distance toll lines and 96 new exchanges, and three exchanges rebuilt.

Q.—When you speak of cutting down of expenditures in 1913 you say because of financial depressions, that would be done by somebody else than you? A.—Yes.

Q.—The money wasn't forthcoming? A.—Yes.

Q.—How did you carry it out when the money wasn't forthcoming? A.—We cut out a part of the contracts practically every contract.

Q.—Did you cancel some contracts entirely? A.—Yes, some.

Q.—On what did you base, on what practice did you proceed when you found you could not build on account of the financial depression, how did you slack out the 4300 you planned?

A.—That was the duty of the Deputy Minister.

Q.—He will have to speak for that? A.—Yes, I had nothing to do with it.

Q.—Had it not been for the financial depression is there anything else you know of

which would have prevented your carrying out your work as you had planned it in the early part of 1913? A.—The contractors had great difficulty in securing men and money and said they were very glad we cancelled the contracts as they could not have possibly finished them until way in winter.

Q.—Did you pursue in 1912-13 any different system in laying out your work than you pursued in 1913 in planning the work? A.—No.

Q.—You were following then in all of 1912 and early part of 1913 exactly the same methods and system which you had followed in 1911 and earlier? A.—Just the same.

Q.—And you had contracted 4300 in 1912? A.—Yes.

Q.—The reasons you give are they the only reasons of the failure of your plans, why they weren't carried out, the reasons you give? A.—Yes.

Q.—MR. TWEEDIE:—You had a distinct program laid out in 1913? A.—Yes.

Q.—Have you been working on that program ever since? Have you just followed out the program? A.—The program has been revised by the Deputy Minister, I cannot say whether it is the identical program or not.

Q.—Just go back to Okotoks— A.—Yes.

Q.—You had a large number of poles delivered at Okotoks and Midnapore for construction of lines in Okotoks district? A.—Yes.

Q.—You have not constructed them? A.—No.

Q.—You have taken the poles away? A.—Yes.

Q.—What is the reason for not constructing the line in that locality and removing the poles? A.—We followed out the construction program approved by the Deputy Minister.

Q.—And you know of no reason why they did not construct the line as well as other lines? A.—No.

Q.—You know nothing as to why it was abandoned? A.—No.

Q.—In Sundre district where you had poles? A.—No, we built there in 1912. Many had moved out on account of the wet nature of the country.

Q.—It was the intention to build that line at any time? A.—Not unless we had applications.

Q.—Then they have not applied for phones since? A.—No, there have been a few connected since.

Q.—How many applications had you put in at that time? A.—I cannot say now.

Q.—You had applications in? A.—They were in the rural branch not my department.

Q.—But you know applications were in? A.—That is on file.

Q.—MR. MACKAY:—Can you tell why in the Athabasca district I represent and thickly populated, we never got a line west of Athabasca? Can you tell why? A.—You have more than we wish you had now.

Q.—MR. HOADLEY:—I would like to ask this question: You said telephone poles were delivered to the different places because of plans of construction, admitting that certain poles should be delivered at certain places, is that correct? A.—Yes.

Q.—If that were correct then the program of construction that led to that delivery must have been enlarged if poles were taken from Okotoks and taken to some other place? A.—Naturally.

Q.—You had no knowledge I presume from what you said, as to why the enlargement at one place and failure to carry out the program at another? A.—I had not.

Q.—MR. MACKAY:—Just going back to the reports. A.—In 1912 we got weekly reports.

Q.—What reports do you get now? A.—Daily reports.

Q.—Does the same really apply to your keeping them as to the weekly reports? A.—Yes.

Q.—What form do you keep permanently, what permanent record do you take from these reports? A.—In the ledgers?

Q.—In books and ledgers where it could get taken? A.—Yes.

Q.—They are there yet? Is there any information destroyed that is worth keeping? A.—None.

Q.—When did this go into force? A.—In the early part of 1915.

Q.—And when were the reports destroyed? A.—When that came into force.

Q.—What do you mean by that, this accounting circular? (Exhibit 3, April 18, 1916). A.—Yes.

Q.—Is this your own form or based on— A.—It is based on the standard rule of the Interstate Commerce Commission which governs all telephone companies in the United States and practically all Canadian companies, including the Canadian Bell as well. The British Columbia Telephone System rule themselves by the ruling of the Interstate Commerce Commission.

Q.—Would there be any useful advantage in keeping them longer? A.—Absolutely none.

Q.—MR. TWEEDIE:—But you, the auditors, have a right to go in and check up— A.—Yes, they have from permanent records but they don't from these reports.

Q.—But they can have the right to see the permanent records at any time? A.—They

have that right but they don't exercise it. Any auditor has the same right as the provincial auditor, here the provincial auditor takes the place of the state auditors.

Q.—No, not at all. The Interstate Commerce Commission have their own auditors they can come in and examine the reports and statements of any private and public corporation having telephones in the United States and the adjusting rests with them whether to audit the original reports until a certain time. And all information is contained in detailed reports then, not on another form in your books? A.—Yes.

Q.—And you can tell the exact cost of a line to a dollar? A.—Yes, to a cent.

MR. MACKAY:—So you have all material for audit at any time? A.—Yes.

Q.—You can get it any time? A.—Yes.

Meeting adjourned at 12.30 p.m. until Wednesday, April 19th, 1916 at 10 a.m. but owing to the Parliament being prorogued on Wednesday no meeting was held.

EXHIBIT I—TAKEN IN EXAMINATION OF MR. J. H. GRIERSON, APRIL 11th 1916

OUTLINE OF DUTIES AND AUTHORITY OF THE PLANT BRANCH

Edmonton, May 15th, 1912.

Authorities and Duties.

The Plant Branch shall be in charge of and responsible for the construction, re-construction and maintenance of the Physical Property of the System, including inside equipment, outside plant and the maintenance of buildings and furnishings.

The Deputy Minister shall direct the work of the Branch through the Superintendent assisted by the automatic equipment chief, Plant Chief and their advisory office and field forces as outlined in the Plant Branch diagrams.

W. R. PEARCE, Plant Chief.

1. Shall be in charge of and responsible for the construction, re-construction and maintenance of the Physical Property of the System, except the Automatic Equipment and the maintenance of the Automatic Exchanges.

2. In order to obtain uniformity in construction and to prevent overlapping in work all specifications and estimates for plant construction or re-construction shall be approved by the head of the Branch.

3. Shall keep in touch with the development of construction methods and make recommendations for changes and improvements in existing standards.

4. Shall prepare specifications for the purchase of construction material and supplies and shall keep the Department advised of new and approved material.

5. Shall prepare and submit for approval and keep up to date all general plans, specifications and circular letters on construction, re-construction and maintenance for the guidance of the Branch.)

6. Shall co-operate with the heads of the Traffic and Commercial Branches in all service matters.

7. Shall approve the Pay Rolls and Expense Vouchers of his force.

8. Shall be assisted by the following force with duties as outlined.

(a)--Superintendent of Exchange Construction--(J. C. McNISH)

1. Shall have charge of Floating Exchange gangs on outside construction for new and other Exchanges as assigned.

2. Shall check all recommendations, plans and estimates, except for inside equipment, submitted by the District Plant Chief before being approved.

3. Shall supervise Cable facilities and make recommendations as to changes in Cable distributions.

4. Shall act in an advisory capacity to the District Plant Chiefs on Cable and conduit work.

(b)--Supervisor of Exchange Construction--(C. ELLIOTT)

1. Shall assist the Superintendent of Exchange Construction in supervising Exchange Construction, re-construction and extensions being carried on by the District Plant Chiefs.

2. Shall act in an advisory capacity to the District Plant Chiefs on Exchange extensions.

3. Shall assist the District Plant Chiefs to keep their gangs complete by selecting suitable men from applicants at Calgary and securing transportation for same.

(c)--Superintendent of Line Construction--(J. H. GRIERSON)

1. Shall Supervise Rural and Long Distance Line construction.

2. Shall act in an advisory capacity to the District Plant Chiefs on Line Construction.

3. Shall keep the Plant Chief advised of the progress of the work, of any special difficulties met with in line construction and of the class of work being carried out by the various foremen under the supervision of the District Plant Chiefs.

4. Shall assist the Plant Chief in grading Rural and Long Distance Foremen.
5. Shall assist the Plant Chief in getting material properly placed.

(d)--Supervisor of Line Construction--(C. W. JOHNSON)

Duties similar to the Superintendent of Lines.

Owing to the magnitude of the System it is impossible for one man to cover the whole of the Province. The Superintendent shall devote his time to points north of Red Deer and the Supervisor of Lines to points south of Red Deer, including work out of Red Deer.

(e)--District Plant Chief--(J. S. RICHARDS, Edmonton; R. B. BAXTER, Lacombe; J. D. BAKER, Calgary; E. R. JENKINS, Calgary; A. W. THOMAS, Lethbridge)

1. Shall be in charge of and responsible for the construction and re-construction of all Rural and Long Distance Lines within his district.

2. Shall confer with the Superintendent or Supervisor of Line Construction on line construction or line extensions.

3. Shall be in charge of and responsible for Exchange Construction and Exchange Re-construction other than new exchanges or work assigned to the Superintendent of Exchange Construction.

4. Shall confer with the Superintendent or Supervisor of Exchange Construction on all extensions to cable and conduits.

5. Shall be in charge of Stationary Exchange Foremen and their forces within his district.

6. Shall be in charge of and responsible for the maintenance of the Plant within his district.

7. Shall be in charge of all Exchange Equipment and substation installations within his district.

8. Shall co-operate to the fullest extent with the District Traffic Chief and the District Commercial Agent, in proper plant maintenance and provision.

9. He shall keep in touch with and direct so far as he deems necessary the daily work of his men and by temporary or permanent assignment of his maintenance and installation forces carry on the work properly and economically.

10. Shall approve and appropriate all pay rolls, expense vouchers, and accounts of his District Force.

11. Shall be assisted by the following direct subordinates each with the necessary force to carry out the work indicated. (The extent of the District as assigned by the Plant Chief may qualify this force):

1. Clerk
2. Switchboardman
3. Installers (Exchange and Rural)
4. Inspectors
5. Foremen (Long Distance, Rural and Exchange)
6. Cablemen.

EXHIBIT 2—TAKEN IN EXAMINATION OF MR. W. R. SMITH, APRIL 11th, 1916

EDMONTON, DUNVEGAN & BRITISH COLUMBIA RAILWAY CO.

Winnipeg, Man., April 8th, 1916.

The Chairman,

Public Accounts Committee, Legislative Assembly, Province of Alberta,
Edmonton, Alta.

Dear Sir:—

Pursuant to request of your Committee I hereby certify that the paid-up Capital of the following Railway Companies is:—

| | |
|---|---------------|
| Edmonton, Dunvegan & British Columbia Railway | \$ 250,000.00 |
| Central Canada Railway | \$ 62,500.00 |
| Alberta & Great Waterways Railway | \$ 50,000.00 |

Yours truly,

J. K. McLENNAN,

Secretary-Treasurer.

EXHIBIT 1—TAKEN IN EXAMINATION OF J. H. GRIERSON, APRIL 13, 1916

Hardisty, June 18, 1912.

Memo. for Mr. Richards:
I have been over the road between Amask and Hughenden and find that the blind line between Sec. 2 and 11, 1 and 12, 6 and 7, 5 and 8 in Tp. 41, R. 7 and 8 is first-class.
Yours respectfully,
J. H. GRIERSON,
Supt. of Government Telephone Construction.
Department of Railways and Telephones, Edmonton.
Correspondence—June 21, 1912.

EXHIBIT 1—APRIL 15, 1916—TURNED IN BY MR. HARMER IN RESPONSE TO REQUEST BY MR. TWEEDIE ON APRIL 14, 1916

1915

| ESTIMATE NO. | CONTRACTOR | AMOUNT OF CONTRACT | EXTRA RUN-OFF | WORK OTHER |
|---------------------------|----------------------|-----------------------|------------------|---------------|
| Westerosé Rurals | Olstad | \$ 416.00 | \$..... | \$ 6.25 |
| Millet Rurals | Olstad | 1,050.00 | 12.75 | 349.10 |
| Consort Rurals | A. J. Richards | 3,100.00 | 121.50 | ..... |
| Veteran Rurals | A. J. Richards | 1,400.00 | 49.45 | 121.52 |
| Coronation Rurals | A. J. Richards | 1,000.00 | 54.40 | 534.50 |
| Castor Rurals | A. J. Richards | 1,200.00 | 34.30 | 76.00 |
| Gadsby Rurals | A. J. Richards | 2,100.00 | 95.10 | 290.00 |
| Botha Rurals | A. J. Richards | 2,400.00 | 136.90 | 503.70 |
| St. Albert Rurals | W. T. Woodroofe | 785.35 | 61.25 | 84.27 |
| Vulcan Rurals | Thos. Ing | 8,281.00 | 1,354.00 | 3,555.90 |
| Gleichen Rurals | Carpenter & Co. | 948.00 | 47.25 | 188.30 |
| Strathmore Rurals | Carpenter & Co. | 1,530.00 | 73.80 | 766.95 |
| Langdon Rurals | Carpenter & Co. | 1,738.00 | 25.50 | 313.29 |
| Calgary Rurals | Carpenter & Co. | 2,886.00 | 383.40 | 634.90 |
| Cochrane Rurals | Carpenter & Co. | 350.00 | 35.50 | 421.25 |
| Crossfield Rurals | Carpenter & Co. | 1,040.00 | 123.50 | 90.10 |
| Carstairs Rurals | Carpenter & Co. | 934.50 | 43.00 | 212.60 |
| Didsbury Rurals | Carpenter & Co. | 765.00 | 65.00 | 233.90 |
| Mayton Rurals | Carpenter & Co. | 256.00 | 25.50 | 7.10 |
| Olds Rurals | Carpenter & Co. | 424.50 | 29.50 | 5.00 |
| Bowden Rurals | Carpenter & Co. | 520.00 | 33.50 | 9.35 |
| Acme Rurals | C. L. Elliott | 2,125.00 | 276.00 | 586.10 |
| Huxley Rurals | C. L. Elliott | 1,040.00 | 133.00 | 386.45 |
| Three Hills Rurals | C. L. Elliott | 2,330.00 | 339.00 | 1,069.92 |
| Champion Rurals | Thos. Ing | 1,623.25 | 99.00 | 785.00 |
| Parkland Rurals | Thos. Ing | 407.00 | 37.00 | 86.90 |
| Nanton Rurals | Thos Ing | 2,439.75 | 557.00 | 1,408.15 |
| Cardston Rurals | A. McGregor | 954.00 | 156.55 | 156.30 |
| New Dayton Rurals | A. McGregor | 500.00 | 32.50 | 63.40 |
| Claresholm Rurals | A. McGregor | 996.00 | 70.70 | 284.75 |
| Granum Rurals | A. McGregor | 1,440.00 | 119.60 | 377.70 |
| Czar Rurals | A. McGregor | ..... | ..... | 12.00 |
| Tees Rurals | O. Olstad | No con't price | 7.50 | 232.32 |
| Bruderheim Rurals | ..... | ..... | ..... | ..... |
| Morinville Rurals | W. T. Woodroofe | 964.05 | 44.30 | .65 |
| Riviere, Qui Barre Rurals | Cancelled | ..... | ..... | ..... |
| Stony Plain Rurals | W. T. Woodroofe | 1,413.00 | 81.25 | 320.15 |
| Edmonton Rurals | Handled by E. Davis. | ..... | ..... | ..... |
| Ardrossan Rurals | Handled by E. Davis. | ..... | ..... | ..... |
| Ft. Saskatchewan Rurals | Handled by E. Davis. | ..... | ..... | ..... |
| Leduc Rurals | Handled by E. Davis. | ..... | ..... | ..... |
| Conjuring Creek Rurals | Cancelled | ..... | ..... | ..... |
| Vermilion Rurals | O. Burnstadt | 730.00 | 25.55 | 71.00 |
| Mannville Rurals | O. Burnstadt | 1,642.00 | 163.50 | 993.85 |
| Minburn Rurals | O. Burnstadt | 255.00 | 24.20 | 91.03 |
| Innisfree Rurals | O. Burnstadt | 450.00 | 32.70 | 13.50 |
| Bruce Rurals | O. Burnstadt | 2,030.00 | 157.05 | 139.25 |

| ESTIMATE NO. | CONTRACTOR | AMOUNT OF CONTRACT | EXTRA WORK RUN-OFF | OTHER |
|---------------------------------|----------------------|-----------------------|-----------------------|----------|
| Holden Rurals | O. Burnstadt | \$4,245.00 | \$120.70 | \$431.45 |
| Ryley Rurals | O. Burnstadt | 1,050.00 | 40.20 | 155.47 |
| Tofield Rurals | O. Burnstadt | 800.00 | 45.65 | 331.55 |
| Bawlf Rurals | A. J. Richards | 2,700.00 | 91.45 | 974.50 |
| Daysland Rurals | O. Olstad | 2,300.00 | 68.50 | 157.25 |
| Provost Rurals | A. McGregor | 2,836.00 | 258.00 | 659.59 |
| Hardisty Rurals | A. McGregor | 2,177.00 | 131.75 | 104.86 |
| Lougheed Rurals | A. McGregor | 1,577.00 | 197.00 | 275.50 |
| Sedgewick Rurals | A. McGregor | 1,319.00 | 133.25 | 259.29 |
| Merna Rurals | A. McGregor | 400.00 | 29.50 | 477.45 |
| Killam Rurals | A. McGregor | 1,730.00 | 211.50 | 376.25 |
| Strome Rurals | A. McGregor | 1,777.00 | 174.75 | 299.29 |
| Lacombe Rurals | O. Olstad | 615.00 | | 51.50 |
| Clive Rurals | O. Olstad | 2,040.00 | 89.25 | 418.34 |
| Alix Rurals | O. Olstad | 140.00 | | 32.25 |
| Mirror Rurals | O. Olstad | 1,004.00 | 36.00 | 62.60 |
| Bashaw Rurals | O. Olstad | 400.00 | | 29.50 |
| Ferintosh Rurals | O. Olstad | 1,045.00 | 92.25 | 94.95 |
| New Norway Rurals | O. Olstad | 900.00 | 2.00 | 3.00 |
| Ponoka Rurals | O. Olstad | 2,700.00 | 33.00 | 598.35 |
| Wetaskiwin Rurals | O. Olstad | 4,500.00 | 90.00 | 498.18 |
| Lamont Rurals | Handled by E. Davis. | | | |
| Spring Bank Rurals | O. Burnstadt | 660.40 | | 169.75 |
| Calgary-Nor'-West Rurals | O. Burnstadt | 2,410.00 | 260.80 | 1,040.50 |
| High River Rurals | A. McGregor | 565.00 | 22.30 | 96.00 |
| Rosenroll-Ohaton-Camrose Rurals | Handled by E. Davis. | | | |
| Edmonton North, Rurals | Handled by E. Davis. | | | |
| Elnora to Lakeview | Handled by E. Davis. | | | |
| Westlock-Pibroch L.D. | W. T. Woodroffe | 902.35 | | 71.25 |
| Vermilion-Battle Creek | O. Burnstadt | 460.00 | | |
| Mannville-Naughton Glen | O. Burnstadt | 1,258.00 | | 47.50 |
| Minburn, South | O. Burnstadt | 1,460.00 | | |
| Provost-Boundary | A. McGregor | 541.00 | | |
| Youngstown-Oyen | C. L. Elliott | 3,525.00 | | 569.10 |
| Lousana-Huxley-Trochu | | | | |
| Swalwell | C. L. Elliott | 2,480.00 | | 1,569.75 |
| Beazer-Boundary Creek Ex. | A. McGregor | 866.00 | | 300.80 |
| Kimball-Taylorville | A. McGregor | 720.00 | | 123.45 |
| Milk River East | A. McGregor | 2,000.00 | | 344.70 |
| Bankland-Foremost | A. McGregor | 2,014.00 | | 587.00 |
| Retlaw-Lomond | | | | |
| Lomond-Bow City | A. McGregor | 4,014.00 | | 833.75 |
| L.D. No. 24 to Bordenave | N. Bojchuk | 400.00 | | |
| L.D. No. 23 to Downing | N. Bojchuk | 325.00 | | |
| EXCHANGE | | | | |
| Camrose | C. L. Elliott | 3,800.00 | | 1,488.00 |

EXHIBIT 1—TAKEN IN EXAMINATION OF MR. PEARCE, APRIL 17, 1916

Mr. Crawford, on Thursday next, to move:

That an Order of the House do issue for a Return showing:

Weekly reports of foremen on following lines of telephone construction for the year 1912:

1. Strathcona to Millet.
2. Nevis to Castor.
3. Rural out of Tees.
4. Camrose and Kingman.
5. Kingman and Tofield.
6. Camrose and Meeting Creek.
7. Camrose and Bawlf.
8. Exchange at Camrose.
9. Hardisty and Provost.

Weekly reports of foremen on the Castor and Coronation Line between May 20th and July 20th, 1912.

Weekly reports of foremen on the Ryley and Vegreville Line between August 23rd and September 14th, 1912.

EXHIBIT 3—TAKEN IN EXAMINATION OF MR. PEARCE, APRIL 18, 1916

Accounting Circular No. 13-15

LIST OF PAPERS AND PERIOD OF RETENTION

Undernoted is a list of Forms by number and name and period for which they are to be retained:—

| FORM No. | DESCRIPTION | PERIOD OF RETENTION |
|----------|---|---------------------|
| 301 | Report of Material recovered or displaced | 2 years |
| 302 | Report of Material used | 2 years |
| 304 | Freight Record Ledger | permanently |
| 306 | Daily Work Report, Inspector | 1 year |
| 307 | Daily Work Report, Gang | 1 year |
| 310 | Expenditure Details | permanently |
| 312 | Vouchers | permanently |
| 318 | Payrolls | permanently |
| 319 | Payroll Change List | 1 year |
| 320 | Summary of Payroll Change List | 1 year |
| 321 | Employees' Service Record | permanently |
| 322 | Shippers' Return | 6 months |
| 324 | Application for Position | 2 years |
| 325 | Expense Voucher | permanently |
| 326 | Employees' Tool Account | permanently |
| 327 | Remittance Advice | 2 years |
| 328 | Tool Check | 1 year |
| 330 | Purchasing Order | 6 years |
| 332 | Authority for Local Purchase | permanently |
| 335 | Report of Payroll Changes | 2 years |
| 338 | Receipt Form | 6 years |
| 339 | Memo. to Audit | 2 years |
| 343 | Record of Audited Vouchers | permanently |
| 360 | Requisition Form | 1 year |
| 362 | Material Card | 1 year |
| 365 | Material Transfer | 1 year |
| 369 | Employees' Payroll Record | permanently |
| 382 | General Accounts Ledger | permanently |
| 390 | Personal Expense Voucher | permanently |
| 398 | Livery Tickets | 1 year |

EXHIBIT 2—TAKEN IN EXAMINATION OF MR. PEARCE, APRIL 18, 1916

JUNE 5th

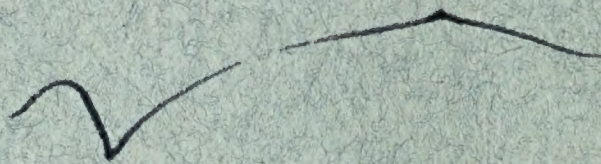
STATEMENT OF TAMARACK POLES DELIVERED

| DELIVERED BY | DELIVERED AT | 20-FT. | 25-FT. | 30-FT. |
|------------------------------|----------------------|--------|--------|--------|
| Thos. J. Alexander | Mackay | 493 | 5,784 | ... |
| " | Otley | 605 | 3,184 | ... |
| " | Niton | 453 | 2,625 | ... |
| " | Irvine | 1,392 | 3,635 | ... |
| " | Leaman | 85 | 1,025 | ... |
| " | Gainsford | 100 | 804 | ... |
| " | Fallis | 110 | 402 | ... |
| " | Bickerdyke | 432 | 1,323 | ... |
| " | Junkins | ... | 1,192 | ... |
| Anderson Bros. | Markerville | 47 | 502 | ... |
| Eric Anderson | Nestow | 150 | 300 | ... |
| H. A. Alsop | Onoway | 193 | 221 | ... |
| Bell & McPhie | Peers | 1,891 | 4,457 | ... |
| " | Mackay | 1,188 | 3,745 | 25 |
| " | Niton | 563 | 342 | 48 |
| " | Chip Lake & Leaman | 309 | 1,384 | ... |
| " | Entwistle | 278 | 299 | ... |
| A. Desautels | Mackay | 4,884 | 2,007 | 184 |
| R. E. Doke | Rochester | 34 | 348 | 29 |
| Fred Erdman | Clyde | 106 | 312 | ... |
| F. J. Francey | Duffield | 137 | 318 | ... |
| " | Carvel | 658 | 1,258 | ... |
| H. Giasson | Thornton | ... | 2,543 | ... |
| " | Rosevear | ... | 945 | ... |
| W. J. Hayden | Gainsford | 71 | 488 | ... |
| Hislop & Gooderidge | Entwistle | 527 | 2,589 | 13 |
| " | Niton | 169 | 815 | 30 |
| " | Irvine | 896 | 846 | 9 |
| " | Mackay | 359 | 869 | ... |
| " | Junkins | ... | 286 | ... |
| A. J. Hughes | Devil's Lake | ... | 209 | ... |
| Messrs. H. James & A. Sepola | Entwistle | 293 | 1,952 | 58 |
| Langmuir & Iddings | Rimbey | 251 | 15 | ... |
| F. J. Lull | Peers | ... | 695 | ... |
| N. C. Macdougall | Rocky Mountain House | 182 | 1,020 | ... |
| Geo. McLachlan | Nestow | 100 | 300 | ... |
| Joseph Marshall | Rimbey | 66 | 1,158 | ... |
| Thos. McGee | Mile 14 | ... | 2,113 | ... |
| C. M. McKeen | Plauts' Siding | ... | 1,001 | ... |
| " | Lac St. Anne | ... | 313 | ... |
| " | Mile 7—P.R.B. | ... | 1,217 | ... |
| " | Mile 14—P.R.B. | ... | 3,225 | ... |
| " | Mile 42—P.R.B. | 441 | 313 | ... |
| Ed. O'Mara | Millet | 66 | 970 | ... |
| H. L. Roy | Bismark | 53 | 256 | ... |
| A. E. Salley | Rimbey | 12 | 125 | ... |
| J. S. Sangster | Conjuring Creek | 46 | 1,225 | ... |
| J. W. Shirkey | Lacombe | 74 | 849 | ... |
| E. & D. Simmonds | Legal | ... | 844 | ... |
| Walker, Reid & Co. | Lamont | 67 | 5,443 | ... |
| W. Wiedrick | Rochester | 235 | 479 | 84 |
| " | Clyde | 237 | 197 | 10 |
| " | Tawatinaw | 9 | 144 | 1 |
| " | Nestow | 590 | 427 | ... |
| C. H. Lawford | Pakan | ... | 271 | ... |
| Alex. Shandro | Shandro | 50 | 1,181 | ... |
| Swanberg & Hagen | Rich Valley | 118 | 813 | ... |
| | | 19,020 | 71,603 | 491 |

POLE CLERK.

EXHIBIT I—TAKEN IN EXAMINATION OF MR. PEARCE, APRIL 18, 1916

| NAME | ADDRESS | 20-FT. | PRICE | 25-FT. | PRICE | 30-FT. | PRICE | AMT. CHEQUE |
|---------------------|------------------|---------------|---------------|--------|--------------|--------|--------|-------------|
| Alexander, Thos. J. | Edmonton | 400 | \$1.00 | 2,000 | \$1.12 | ..... | ..... | ..... |
| Alexander, Thos. J. | Edmonton | 200 | 1.25 | 5,000 | 1.40 | ..... | ..... | \$1,355.00 |
| Alexander, Thos. J. | Edmonton | 2,500 | 1.15 | 6,000 | 1.35 | ..... | ..... | ..... |
| Alexander, Thos. J. | Edmonton | 1,000 | 1.10 | 4,000 | 1.25 | ..... | ..... | ..... |
| Alsop, H. A. | Onoway | 200 | 1.05 | 200 | 1.40 | ..... | ..... | 21.75 |
| Anderson, Eric | Clyde | 150 | .90 | 300 | 1.28 | ..... | ..... | 25.95 |
| Bell & McPhee | Edmonton | 2,000 | 1.10 | 4,000 | 1.35 | ..... | ..... | ..... |
| Bell & McPhee | Edmonton | 2,000 | 1.00 | 7,000 | 1.25 | ..... | ..... | 920.00 |
| Doke, R. E. | Tawatinaw | ..... | ..78 | 350 | 1.25 | 25 | \$1.65 | 15.00 |
| Desautels, Alfred | Morinville | 5,000 | .78 | 2,000 | 1.15 | 100 | 1.50 | 317.50 |
| Francey, F. J. | Wabamun | 300 | 1.25 | 700 | 1.35 | ..... | ..... | ..... |
| Giasson, H. | Wolf Creek | ..... | ..... | 3,500 | 1.25 | ..... | ..... | ..... |
| Hayden, W. J. | Gainsford | 25 | 1.10 | 500 | 1.25 | 75 | 1.50 | 38.12 |
| Hislop & Goodridge | Edmonton | 2,000 | 1.10 | 1,500 | 1.35 | 50 | 1.80 | 180.00 |
| Hislop & Goodridge | Edmonton | 500 | 1.25 | 5,200 | 1.40 | ..... | ..... | 426.75 |
| Hughes, A. J. | Noyes' Crossing | ..... | 1.10 | 500 | 1.28 | ..... | ..... | 32.00 |
| James & Seppola | Entwistle | 400 | 1.10 | 1,600 | 1.30 | ..... | ..... | ..... |
| Lull, F. T. | Carrot Creek | ..... | ..88 | 700 | 1.25 | ..... | ..... | 43.75 |
| MacLachlan, George | Clyde | 100 | ..88 | 300 | 1.25 | ..... | ..... | 23.15 |
| McGee, Thomas | Edmonton | ..... | ..... | 4,500 | 1.28 | ..... | ..... | ..... |
| McKeen, C. M. | Lac Ste Anne | ..... | ..... | 6,000 | 1.40 | ..... | ..... | ..... |
| Simmons, E. & D. | Ft. Saskatchewan | ..... | ..... | 1,000 | 1.25 | ..... | ..... | ..... |
| Walker, Reid & Co. | Ft. Saskatchewan | ..... | ..... | 6,000 | 1.85 | ..... | ..... | 185.00 |
| Wiedrick, W. | Edmonton | ..... | ..... | 2,200 | 1.30 | ..... | ..... | ..... |
| Wiedrick, W. | Edmonton | ..... | ..... | 1,200 | 1.20 | 1,100 | 1.40 | 290.00 |
| | | 20-ft. 16,775 | 25-ft. 66,250 | | 30-ft. 1,350 | | | |



ALBERTA
PROVINCIAL LIBRARY